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LOMBARD

Gold as the key to money reform

BY C. GORDON TETHER

THE PERVERSITY of the official attitudes that are being adopted towards gold to accommodate the politically inspired drive to phase it out of the monetary system was well illustrated by last week's statement from the Secretary of the German Finance Ministry, Herr Pöhl, on the current international talks about the future use of central bank and IMF gold stocks. The key to agreement here, he claimed, lay in recognising that the solution of these questions should be divorced from the currently insoluble problem of reshaping the world monetary system.

The reality, of course, is that these questions cannot be divorced from the problem of reshaping the world monetary system because the part that gold is going to play in international monetary affairs is of the greatest relevance to any discussions on global monetary reform. Indeed, it would be entirely reasonable to turn Herr Pöhl's presentation of the picture on its head and argue that the key to the solution of the "insoluble problem of world monetary reform" lies in restoring gold to the centre of the picture.

Little hope

The talks to determine what is to be done about gold still in the monetary system—notably that held in central bank reserves and the substantial stock of the IMF acquired from capital subscriptions in this form—are being portrayed as a hazy operation necessitating a general acceptance of the principle of gold's demotion. The main reason why they are making such heavy weather is that the world as a whole is still not prepared to see gold in this light.

Part of the explanation for this, needless to say, lies in the fact that confidence in paper money has been seriously undermined almost everywhere as a result of the experiences of the past few years. But there is no doubt that the impact of such disenchantment is being materially accentuated by another factor. It is the growth of the feeling that, whatever success attends the efforts now being made at national level to halt domestic inflation, there is little hope of relief from global inflation until action is taken to regulate the behaviour of the international monetary supply.

It is significant that this penny has started to drop even in America—the country whose banking system has played such a large part in fuelling the activities of that great international monetary breeding ground known as the Euro-currency market. In a recent editorial report replying to an attack by Professor Milton Friedman on its call for a new U.S. approach to international monetary reform, the Wall Street Journal said that it would not want readers to infer from its remarks that the problem of money creation in the Euro-currency market was a figment of the paper's idiosyncratic imagination.

No alternative

And while admitting that it did not know how serious the problem was in actuality, it went on to demonstrate that it had a clear—and extremely frightening—view of the process of money creation there being potentially such that, in next to no time, the original deposit of \$100 could be converted into a supply of money of the order of \$2,000. If, it concluded, there is in actuality in the world an unlimited source of monetary expansion, it ought to be controlled.

In theory, such control could be established without making more use of the regulatory powers of gold. But there is a growing tendency to ask whether, in the light of experience, it is better realistic to hope for a recent issue of the American magazine International Moneyline, Professor Laffer of the University of Chicago, a young American economist who acts as a consultant to the White House, and is also said to have the ear of Treasury Secretary Simon, identifies himself with the proposition that it would be a good thing to get gold back "very heavily" into the picture. He goes on to make the essential point that governments have got to find a way of regulating the growth of the money supply over the world as a whole and that the only system that has worked is the gold exchange standard.

The logic can hardly be seriously disputed. The further away the world has moved from the gold exchange standard, the worse the inflation problem has become. Obviously, that system is not perfect. But no one has yet been able to put forward a better one.

CRICKET: SECOND TEST

BY TREVOR BAILEY

Spin bowling may pay, but draw seems likely

THE LORD'S Test seems to be drifting towards a draw on this placid, listless day with the rain threatening to make 484 to win. Australia finished the day at 97 for 1.

It is, of course, possible that England will capture the nine wickets in the remaining six hours, but judging by the little impression that their bowlers have been able to make to date this, alas, is beginning to appear improbable.

Alternatively, it would be feasible for Australia to score the 387 runs required for victory, yet with Underwood around to apply the brake this is even more unlikely, especially as they are already one up and Ian Chappell would be well pleased to settle for a result.

England began the fourth day at Lord's at 230 for two, a lead of 277 against a reasonably new ball in the capable hands of Lillee and Walker. The prime objective was to get the runs, or at least as many as possible so that Greig could both set a large total and also give his bowlers the maximum time to remove the Australians in their second innings.

Edrich, with the confidence of a century already to his credit began brightly but at 249 the unfortunate Amis was yet again a victim of Lillee. This brought in young Gooch who interspersed some forceful strokes with moments of uncertainty especially against Lillee, who with a long stint ahead of him soon reverted to a shortened run-up.

Dominant Greig

Chappell tried to restrict the scoring and in the first hour was reasonably successful, but then the runs began to flow more freely and Edrich produced several superb straight drives. Shortly after 1 p.m. Mallett replaced Walker and Edrich reached his 150 with a leg glance. With the total at 315 Mallett bowled Gooch as he attempted to nudge a ball of full length rather than attempt to drive it. When Gooch was out, the total was 328 and Lillee had bowled no more than two hours, which was rather odd because Thomson had been kept out of the firing line.

After the interval Edrich and Greig were confronted with the howling of Mallett and Thomson and immediately launched a positive assault. The England captain was the dominant partner and he frequently lashed the ball through and over a wide-spread defensive field. His

dynamic innings of 41 ended when he was splendidly caught in the covers driving fiercely. Shortly afterwards the Edrich marathon finished. He holed out with the scoreboard reading 387 and his personal score 175, a knock of great skill, resolution and truly remarkable concentration. The Kent pair, Knott and Woolmer, continued manfully against an attack which had begun to wilt under the pressure and heat.

A streaker who hurled both wickets before being escorted from the ground added to the general enjoyment of a crowd that was reveling in England's happy position.

Survival

The declaration was eventually applied just before 3.45 p.m. in order to gain two bowling sessions with the total at 385. It was a relief to see that very well was out attempting yet another big hit.

McCosker and Turner opened up against the bowling of Snow and Lever. The statistical bar set was 484, but survival was clearly their main concern. They were set one or two taxing problems. McCosker twice played and missed at Lever, while Snow

found the inside edge on several occasions.

Greig came on with his off breaks for the last over before tea in an unsuccessful attempt to break this partnership which had added 44 runs at the interval. If England are to win this match the main hope would seem to lie in the spin of Underwood and his captain.

Predictably, Greig continued the attack from the Pavilion end and had his reward when Turner was snapped out at slip. Unfortunately, he was unable to maintain the accuracy required and suffered accordingly before giving way to Underwood.

The Kent spinner as usual proved hard to score against, but he failed to beat the bat as much as he had been hoped. The other end was shared by Lever and Snow, who were unable to extract any more life out of this dead wicket than their Australian counterparts had done earlier in the day.

At stumps Australia were 97-1. If they continue to bat as efficiently, they should be able to make their escape, unless this wicket deteriorates, which on the evidence so far it shows no likelihood of doing.

RACING

BY DOMINIC WIGAN

Mount Grace day's best bet

JEREMY HINDLEY'S much-improved Winter Melody runs at Ayr, but the Krenlin House stable jockey, Tony Kimberley, has decided to go to Redcar, primarily to partner four-year-old Winter Melody's stable companion, Mount Grace, in the Yorkshire course's Kildale Plate. Mount Grace, a strongly-made chestnut colt, followed up several well-biased efforts for Denis Smith's Bishop Auckland establishment by obliging at the first time of asking for the Krenlin House team when landing the one-mile Ferrier Plate at Yarmouth 13 days ago.

An 8-1 chance to deal with her 18 opponents, Mount Grace came through smoothly to take up the running at the distance and immediately launched a strong assault. She appears to have no more to do this afternoon and it will be a surprise if she fails. Pertinax, a fair fourth of 14 behind

Bustello here three weeks ago, receives 7 lbs from Mount Grace and may give the Newmarket jockey most to do.

Now that Kimberley's intended

BRIGHTON

2.00—Sovereign Ragby
2.00—Flying Colours
3.00—Jedator
4.00—La Falsaise**

AYR

2.45—Pitney
3.15—Winter Melody
4.15—Allez Stanwick
4.45—Mount Irvine

REDCAR

3.00—Spring Hope
3.30—Mount Grace***
4.00—Rising Falcon
4.30—Targa Bella*

partner, Congenial, has been scratched from the Rosedale Stakes. I shall be disappointed if Rising Falcon cannot gain his second victory over this 1½-mile

YACHTING

BY ALEC BEILEY

Battlerey vindicated by seventh place

COWES, August 4

JOHN PRENTICE'S Battlerey, the British team yacht that fared so badly in the opening race of the Admiral's Cup over the weekend, more than vindicated herself at Cowes today finishing seventh in the first of the two inshore races, while the other two British team yachts, Robin Alister's Yeoman XX and Ron Ames's Noryema finished second and sixth respectively in a fleet of 57 yachts. The British, as seems to be a trait among our sportsmen generally, have started the series with a cloud on the horizon and have then systematically set about dispersing it.

While the British crews celebrate less tension in their efforts, the cloud has now settled over the Australian camp. Their yacht Mercedes III, designed, owned and sailed by Ted Kauffman, was over the line early at the start and failed to come back to recross, earning at least a 20 per cent penalty on her time for the race and probably a shared last place with three other yachts that made the same vital error.

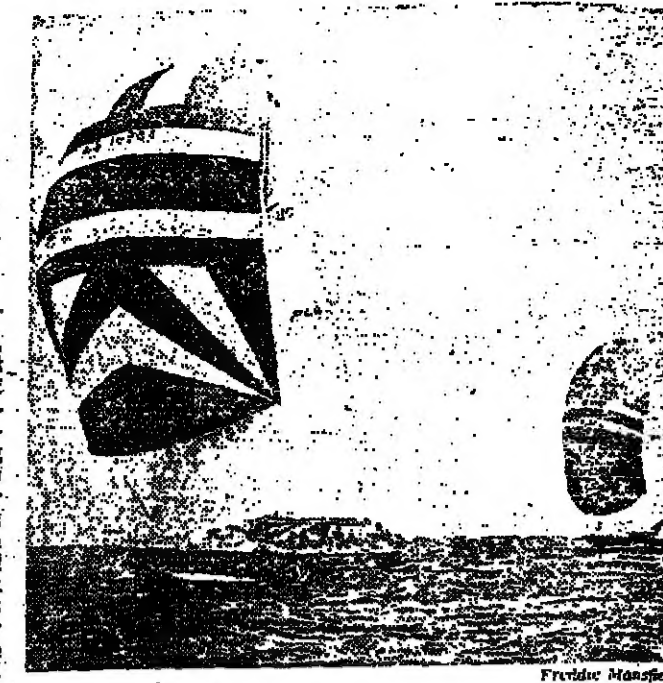
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While others crawled over the tide further offshore those in the confines of Cowes Roads gained valuable ground but ashore the Australian hearts fell as it was unofficially announced that Mercedes was among those who were early at the line and there was no sign of a return.

Their scratch yacht Samblebee, soon led the way round the course. After three second-placed efforts from four appearances, Targa Bella deserves a change of fortune—and I am hoping it will come in the Deepdale Plate. Bill Elsey's Laus Gilly, a 1½-length runner-up to Seacraft at Edinborough recently, appears to have little to best here.

In addition to Redcar there are afternoon programmes scheduled for Brighton and Ayr. La Falsaise, who has only Lomaloma and Onward Tisbury to beat in the Sussex track's Pier Handicap, appears as a good betting proposition.

Rising Falcon's stablemate, Mount Irvine, should be good enough to give the weight away in the Heads of Ayr Stakes.



Admiral's Cup contestant Charisma (U.S.) leads Pluta (Germany).

The race was a memorable palpitations which the British suffered on Sunday when Duva finished 22nd. However, they still increased their points lead by an unconfirmed 159 as opposed to Britain's 143.

The Americans had similar problems with Ted Hood's Robin Alister, Tenacious 17th and Jess Phillips' Charisma, which, with Tenacious, had done so well yesterday, 23rd.

Unfortunately for the British this race counts only for single points, but those who had supported Tony Morgan's More Opposition as an alternative to Battlerey, are now eating humble pie even though More Opposition's crew representing Switzerland, took eighth place one behind Battlerey.

To-morrow the larger Yachts Admiral's Cup competitors will otherwise, race for the Britannia Challenge Cup, the first of the two traditional Cowes Week classics and the race officers of the Royal Yacht Squadron have brought the time 10.30 a.m. starting time forward by one hour and are to set a course round the Isle of Wight for the first time since the race became part of the Admiral's cup series.

New, because of the size of the Admiral's Cup fleet, their inshore races have been separated from the traditional Cowes Week event and the old traditions, broken in 1957 when the Admiral's Cup series began, can be upheld once more even though it may mean a late arrival for those competing in the Royal Corinthian YC Ball to-morrow night.

Admiral's Cup points after two steady races (unofficial): Germany 429, 57th places with Pluta and Ruben, U.S. 428; Great Britain 483, but it was their turn for the Australia 378; New Zealand 383.

TV Radio

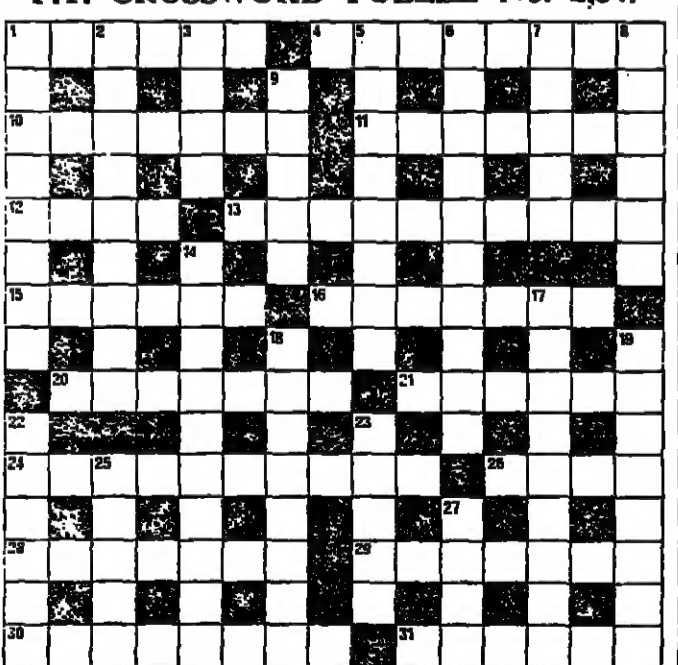
+ Indicates programme in black and white.

BBC 1

9.55 a.m. Wacky Races. 11.05 Casey Jones. 10.30 Vision On. 10.45 Cricket: Second Test. England v Australia. 1.30 p.m. Sappusa. 1.45 News. 1.50 Stedford 73. 2.15 Cricket: Second Test. England v Australia. 4.15 Interval. 4.30 Regional News (except for London). 4.25 Play School. 4.50 Tom's Midnight Garden. 5.15 Brainchisel. 5.40 Sir Prancelot. 5.45 News. 6.00 Nationwide (London only). 6.30 Tom and Jerry. 6.40 "Tarzan and His Mate."

starring Johnny Weissmuller and Maureen O'Sullivan. 8.10 News. 8.25 Muhammad Ali: All talks candidly about his family and his feelings on returning home. 10.10 Going Places. 10.40 Challenge Golf. 11.30 Weather/Regional News. All regions as BBC 1 except at the following times: Wales—5.30-6.30 p.m. Elstedford Genedlaethol Frenhino Cymru. The Year 1975. The Crowned Ceremony. 3.30 Rejoin BBC 1. Cricket. 5.15-6.40 Arch No. 6.00.

F.T. CROSSWORD PUZZLE No. 2,847



ACROSS

- 1 Tom looks East for the ancient goddess (8)
- 4 After dinner request for a permit (8)
- 10 Dives in Holy Writ (4, 3)
- 11 Fat can make one weep (7)
- 12 An accountant gets to the cenoar (4)
- 13 Flatter me about one of the lakes (10)
- 15 In this way there is a suggestion of religion (8)
- 16 "I've seen my — hope decay" (Moore) (7)
- 20 Grain that is included in all repasts (7)
- 21 Seasoned companion goes about the City (8)
- 24 I'm to and fro with allowances for the settlers (10)
- 26 Dreamy thinker embraces the false idea (4)
- 28 Female gets the main point from the Anglo-Saxon leader (7)
- 29 Double the number before the enclosure (7)
- 30 It is ominous when the wine runs out (8)
- 31 Sailor and Scot get together to smooth the way (8)

DOWN

- 1 Ready, but difficult to change (4, 4)
- 3 Mark the generalissimo's moment (9)
- 5 Monument—to a doctor? (4)
- 6 "— should be made of sterner stuff" (JC) (8)

Honest transaction in old-fashioned wood (8, 4)

Game for a strange mob of engineer (5)

Country talk for one who means business (6)

The nose for a tinker (5)

Tiny POW raised on dripping (10)

Two school terms give advice to the raegeer (5, 4)

Edited what could be a dead cert (8)

Orderly troug in a resident alien (8)

Double-jointed prelude to cheer (3, 3)

Specify a condition of bad taste (5)

Land—does mouse question your courage? (5)

Fish with a musical finish (4)

SOLUTION TO PUZZLE No. 2,846

ACROSS
1 TOMATOES
4 PERMIT
10 DIVER
11 WEEP
12 CENOAR
13 FLATTER
15 SUGGESTION
16 MOORE
20 GRAIN
21 COMPANION
24 ALLOWANCES
26 DREAMY
28 FEMALE
29 DOUBLE
30 WINE
31 SAILOR
DOWN
1 READY
3 MARK
5 MONUMENT
6 STERNER

BBC 2

11.00 Play School. 1.30 Royal National Elstedford of Wales. 4.30 Cricket: Second Test. England v Australia. 6.15 Open University. 7.30 Newsday. 7.50 Six From the Sixth. 8.15 The Time of the Year. 9.00 Tuesday Cinema: Inspector Clouseau, starring Alan Arkin. 10.35 Cricket: Second Test highlights. 11.00 News Extra. 11.25 Countdown: Lyndon Brook reads "Rembrandt," by Elizabeth Jennings.

LONDON

10.55 a.m. Animated Classics. 11.40 Galloping Gourmet. 12.05 p.m. Elephant Boy. 12.30 Larry the Lamb. 12.40 Raitbow. 1.00 First Report. News. PT index. 1.20 Lunchtime. To-day. 1.30 A

RADIO 1

(3) Stereophonic broadcast. 4.00 a.m. As Radio 2. 7.30 News. 8.00 As Radio 2. 8.30 News. 9.00 As Radio 2. 9.30 News. 10.00 As Radio 2. 10.30 News. 11.00 As Radio 2. 11.30 News. 12.00 As Radio 2. 12.30 News. 1.00 As Radio 2. 1.30 As Radio 2. 2.00 As Radio 2. 2.30 As Radio 2. 3.00 As Radio 2. 3.30 As Radio 2. 4.00 As Radio 2. 4.30 As Radio 2. 5.00 As Radio 2. 5.30 As Radio 2. 6.00 As Radio 2. 6.30 As Radio 2. 7.00 As Radio 2. 7.30 As Radio 2. 8.00 As Radio 2. 8.30 As Radio 2. 9.00 As Radio 2. 9.30 As Radio 2. 10.00 As Radio 2. 10.30 As Radio 2. 11.00 As Radio 2. 11.30 As Radio 2. 12.00 As Radio 2. 12.30 As Radio 2. 1.00 As Radio 2. 1.30 As Radio 2. 2.00 As Radio 2. 2.30 As Radio 2. 3.00 As Radio 2. 3.30 As Radio 2. 4.00 As Radio 2. 4.30 As Radio 2. 5.00 As Radio 2. 5.30 As Radio 2. 6.00 As Radio 2. 6.30 As Radio 2. 7.00 As Radio 2. 7.30 As Radio 2. 8.00 As Radio 2. 8.30 As Radio 2. 9.00 As Radio 2. 9.30 As Radio 2. 10.00 As Radio 2. 10.30 As Radio 2. 11.00 As Radio 2. 11.30 As Radio 2. 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Portraits at Montacute

by DENYS SUTTON, Editor of Apollo

Much is talked nowadays about the need to spread artistic activity to the provinces and a number of interesting if not very significant shows are held outside London which certainly afford considerable pleasure in their respective localities. The view that some attempt should be made to form regional art centres, making a provincial museum being used for the purpose — and that these should contain "spare" works from London has much to commend it. Anyone who lives in, or spends part of his time in, the country hardly needs reminding of the pleasure of visiting a local museum or country house open to the public.

Last week we had the treat of driving over to Montacute, one of those legendary summer days when the West Country looks at its loveliest and when the influence of Wiltshire and Somerset on Glosborough becomes more than apparent. This artist, so sensitive to mood and atmosphere, could hardly have resisted the seductive appeal of the landscape surrounding Bath where he lived for some years. How right were the Honours Commissioners, Oxford, much to ensure that the garden at Stourhead derived part of its inspiration from the paintings of Gaspard Dughet, that poet of the campagna.

Montacute is a National Trust property and was built by Sir Edward Phillips between 1581, the year of the Armada, and 1601, the year in which Shakespeare wrote *Twelfth Night*. Phillips was a lawyer, who became Speaker of the House of Commons and Master of the Rolls.

The house has a strong appeal and the play of the translation of the Renaissance conventions into vernacular has considerable charm. The architect was in all probability a Somerset mason, William Arnold, who also worked at Cranborne Manor and Wadhurst College, Oxford. Much of the delight provided by the exterior comes from the use of Ham stone which takes on an additional glimmer when lit by sunshine. There lingers about the house a romantic flavour and with it, as with many an Elizabethan poem, classical inspiration and local style have achieved a happy blend.

The garden has a timeless sense and a certain austerity. It was largely remodelled in the mid-nineteenth century. Like many houses, changes have been made to it by successive owners. The stonework on the front of the west porch was brought to the house from Clifton Maybank in the late eighteenth century and Edward Phillips who had this happy idea, added his coat of arms; the result is a feature not without a touch of the fantasy found in the churches of Valladeria.

Montacute has historical associations for Lord Curzon leased the house from 1915 to his death in 1925 and it was decorated for him by the novelist Elinor Glyn during the First World War. In 1937, Phillips' family sold the house to Ernest Cook who acquired it for the Society for the Protection of Ancient Buildings and he handed it over to the Trust. In those days the



M. Gheerarts the younger, Lady M. Scudamore

house had little of any consequence in it, but since then considerable efforts have been made to make the interior as rewarding as the exterior. Loans of high quality (from Lord Crowder among others) have now made it highly attractive. In 1980 the bequest of Sir Malcolm Stewart enriched the house with splendid works including an enchanting and romantic portrait of Miss Knollys in which the playfulness of her expression is set off by the delicately painted ruff and some notable French Renaissance furniture.

The tapestries at Montacute are notable. The most outstanding is the superb *millie fleur* tapestry of a knight woven at Tours in about 1480 and which vividly evokes the elegance of the Gothic and, like many tapestries of the period, possesses an almost surreal quality. What a pleasure to come

across the Stoke Edith hangings at Montacute, where they are on loan from the Victoria and Albert Museum. It seems as if they were designed by a professional and then worked by the household at Stoke Edith which, before its destruction by fire, had belonged to the Foley family. Two large panels represent formal gardens and the eyes are caught by the Chinese pots and the summary hillside in the background which bears a curious and quite fortuitous resemblance to a Japanese print. One of the major features of the house is the Elizabethan gallery which runs the whole length of the building and is the longest one of its type to have survived. In early days galleries were often used for the performance of music; here the music of Byrd or Orlando Gibbons would have been performed. We need their blessing now!

Fischer Fine Art

Claude Rogers and Leon Kossoff

by WILLIAM PACKER

One of the peculiarities of the English, in their practice of the Arts, is that great reputation as an artist may rest upon a distinguished teaching career. We love the idea of the Master sublimating his creative gifts through the medium of his charges. Teaching has its own satisfactions, of course; and it is perfectly true that in music and the visual arts those that can, do, and frequently teach as well. But we must not assume from this that the best teacher is the best artist.

Claude Rogers, a survivor of the Euston Road School and a long career as Professor of Fine Art at Reading University is now showing the paintings he has made over the last five years. They remain at Fischer Fine Art until August 8. Entitled *An Aerial View*, they make a consistent series, their subject the world seen through windows of aeroplanes. A few of these paintings rounded off Rogers' retrospective exhibition at Whitechapel some time ago; brought together they make a

solid and interesting corpus, though too much should not be made of them. The handling and depiction is straightforward: the near, enclosing structure of the plane, the reassuring wing, and the flames that should surely not be shooting out of the exhausts like the plume of a knight's lance, plunge through clouds into deep space, unworldly and pure. And then, coming down to earth, perhaps at night, the disembodied lights and beacons glow out of the blackness.

It is fascinating material, compulsive and seductive. No tourist can resist taking a snap, evidence of an ancient longing, and something of its satisfaction. Rogers manages it with a fluent academic authority, describing it all clearly and convincingly, firm drawing and sound construction; but unfortunately its very literacy seems to chase away the excitement and mystery. He rationalises the truck. Other better and more adventurous painters have been there before. We are left with his plausible account of his rejection of horizontal for vertical space, and his conscientious

and intelligent illustrations confronting our horizontal gaze. Downstairs a small exhibition of recent drawings and paintings celebrates the Tate's acquisition of a major work by Leon Kossoff, one of our leading figurative expressionists. He works from the figure and from landscape, desperately lading the pigment on to the canvas in huge, gobbets, and scouring and pulling and stretching it to achieve some kind of resolution.

At first the results seem unforgivably ugly, gauche and arbitrary. But then the images appear to melt into the very matter of the paint, leaving us with

the staff itself, rich and curiously engaging, like mud. It clears away our prejudice, putting a fresh context for the images when once more they swim into focus.

They remain difficult paintings to look at, let alone to like; but they repay any effort spent on them, serious and authoritative work by a mature artist.

'A Camera at the Ballet'

The photo from Gordon Anthony's *A Camera at the Ballet* illustrated on Saturday shows Robert Helpmann in *Apparitions*.

Jazz at Camden Lock

Camden Lock, London's open-air setting by the Regent's Canal in Camden Town, is the scene of a series of jazz concerts this summer.

Next Sunday, August 10, at 10.15 (piano) will be accompanied by Martin Drew on drums and Tony Archer on bass with LeSage playing vibraphone.

Burch (piano), Ron Rubin (bass) and Bobby Orr (drums). The Tony Lee trio plus Bill LeSage is at Camden Lock on August 17. Lee (piano) will be accompanied by Martin Drew on drums and Tony Archer on bass with LeSage playing vibraphone.

As with next Sunday's concert, starting time is 8.00 p.m. Children are welcome at these events which last about two hours. Admission is 50p, children 10p.

Camden Lock, Chalk Farm Road, London, N.W.1, is five minutes from either Chalk Farm Tube or Camden Town Tube (North Northern Line) and on bus routes—Nos. 24, 31, 68, 715, 718.

'Fanshen' at Hampstead

The Joint Stock production of Fanshen, which played to full houses earlier this year at the ICA Theatre, opens at the Hampstead Theatre Club on August 12. It is directed by adaptation by David Hare of William Hinton's documentary book on the processes of revolution in a Chinese village called Long Bow 30 years ago.

The cast includes Marty Crutcher, Paul Freeman, Cecily Hobbs, Paul Kember, Will Knightley, Tony Matthews, Philip McGough, Tony Robb and Toby Salaman. It is directed by William Gaskill and Max Stafford-Clark, and designed by Di Seymour. The production runs nightly at 8 p.m. until September 13 (August 14 at 7 p.m.).

South Bank Summer Music

by MAX LOPPERT

Issuing from the bank foyer of the Festival Hall, the brazen sounds of the Wilbraham Brass Soloists were the novelty greeting entrant concert-goers before the start of Sunday's opening Summer Music concert. Neville Marriner is now the musical mentor and guide, and the Miss Baker's voice has risen too high to do justice to the notes at the bottom of the alto compass as Frevin's did, and Barenboim's before him. One problem, that of promoting new music and thereby depleting audience numbers, is this year being skirted: apart from a goodly helping of Tippett, and the Bennett piece in Haydn's King's Singers recital, the present programme is personal, 20th century is being celebrated by its absence.

In case that is a parsimonious welcome for an enterprise that, to judge by Sunday's audience, is a need quite as strong as (and one complementary to) the Proms, let it be recorded that the opening concert, with Mr. Marriner and the Academy of St. Martin's, was a great success. The principal change, not the sole reason for this was the presence of Janet Baker.

It is still far too early to be writing of Miss Baker's career in terms of a musical history, nevertheless already it is clear that in her—as in all great singers past, however different their styles and temperaments—music is remade. In each performance something of the singer appears to find form and realise itself, so that both artist and music are transformed, quite different at the end from what our expectations of both had been. The obvious tour de force of Sunday's two appearances was Haydn's cantata *Arioso*, in which she sang in a dress, given with that fusion of searing tenderness and scorching anger almost too dramatic for the concert hall, except for the severely

The Matings, Snape Socrate

by RONALD CRICHTON

The Matings at Snape, the nicest concert hall in these islands, is by no means idle outside the few weeks of the Aldeburgh Festival. During this summer there are concerts, recitals, and music study courses under the direction of Peter Pears. On Saturday a performance of rare quality fell neatly between the end of a course on opera production and the opening of one for young professional singers. These lucky ones will have started with the encouraging example of the veteran Swiss tenor Hugues Cuénod (now he is over 70 he describes himself as a baritone) perform a rarely-heard work he is singularly well qualified with his experience and intelligence, to interpret.

Satie's *Socrate* is neglected by comparison with his shorter, humorous pieces with funny or ironic titles. Yet this "symphonic drama in three parts with voices" is central to any evaluation of this composer. It is a setting of three extracts from Victor Cousin's French translation of the dialogues of Plato—one each from the *Symposium*, *Phaedrus*, and the *Death of Socrates*. Satie scored it for chamber orchestra and four sopranos heard in succession as the various speakers. Since there is no ensemble writing, *Socrate* can be and often is given by a single voice with piano—in any case the autograph is missing and the composer's final wishes are not known. The choice of soprano timbre was presumably intended to distance the music even further from the style of Wagnerian or verismo opera.

Voice or voices pursue a gentle course with regular metres and mostly even syllables, whose lack

of strong accents produces an effect of incantation yet enables the words to come over with remarkable clarity. With hindsight one can see that *Socrate* is nearer to other French musical currents, to *Pelléas* and to the vocal writing of the "Hellenistic" Faure, than may have been obvious at the time it was written—in 1918. The monotony is only apparent. In reality Satie placed the pauses in the vocal line, the modest rallentandos, the changes of figuration in the accompaniment with a skill worthy of the most practised dramatic composer. Yet restraint, simplicity—and Plato.

Socrate is not long. The informally planned evening started with four piano pieces by Satie, chosen from the *Sarabandes*, *Gnossiennes*, *Nocturnes* and *Gymnopédies* to set the mood for the larger work, played by Roger Vignoles. Then Peter Pears gave a short talk, including readings of Satie's prose, idiosyncratic even in translation. Mr. Cuénod, having bidden us move up to the front rows, added the information that when the Princesses de Polignac, who commissioned the score, sent the composer 1,000 gold francs he replied that the coins "did not fall on deaf ears."

In its outward simplicity concealing a wealth of art, Mr. Cuénod's ageless style is uncommonly well suited to this music. There was some most adroit management of head tones. He allowed himself, without overstepping the boundaries of style, to characterise Socrates (but not the other speakers, least of all Alcibiades), with an occasional half-humorous, half-rueful inflection. The accompaniment of Roger Vignoles was faultless. The audience was small but appreciative. The intimate scale of *Socrate* and a large, full hall would be a contradiction in terms.

Royal Court

A Black and White Entertainment

by MICHAEL COVENEY

So concludes a season of Sunday Night Productions Without Decor at Sloane Square, and the signs are not good. With the closure of the Theatre Upstairs, the new Artistic Directors (Robert Kidd and Nicholas Wright) have limited their options for the main stage; and neither of the two short plays under review give much cause for hope. But anything worth while is bubbling away in the black theatrical community. Poor witling, bad acting, simplistic politics, naive conclusions. It is

almost too depressing to be worth talking about.

The first play, *Soul Of The Nation*, by Sebastian Clarke, was the more ambitious. A series of black witnesses, suffering at the hands of a ludicrously fascist ruler, trace the history of the race of warped British justice their innocence of unspecified charges. Or, rather, not exactly unspecified charges; we are told they are black victims who peddle their souls to the police and the police and generally live it up along Ladbrooke Grove. "This is England, not some cesspool in a disaster area called the

Caribbean," whines the Judge before mulling in his beard about the "disquieting fact" of the British population being 4 per cent. immigrant. The witnesses are shot and dismissed.

Just as the Judge is about to take a very long time and only Oscar James displays any minimal technique or authority. More interesting, really, was *Playmate*, by Larry Law and Liz Swain, in which terse, documented voice was given to the fate of Nigerian immigrant David Oluwale at the hands of a couple of bounding Leeds policemen. The case is a famous one and

some sort of justice has, since Oluwale's death in 1969, been served on the offending bobbies.

The play is more interesting only because it is more specific; although the imperfect delivery of two white and one black Giff and Michael Graham Cox, all but succeeded in scuttling their already shaky vehicle. Nothing they said was contestable or, probably, inaccurate. But they had the squirming with embarrassment as they spoke in knowing, smiling tones. A very poor evening indeed. I trust the English Stage Company have their scouts out.

ENTERTAINMENT GUIDE

OPERA & BALLET

COLISEUM, 01-353 5181.
English National Opera.
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WORLD TRADE NEWS

Trinidad in drive for trade with Eastern bloc

By David Renwick

PORT OF SPAIN, August 4. IN COMMON with other Caribbean Community countries, particularly Guyana, Trinidad and Tobago is making an effort to diversify its trade away from Western sources in an attempt to reduce imported inflation and to find new markets for its traditional exports.

Because of the centrally-directed nature of Communist bloc countries, the Trinidad and Tobago Government feels that certain goods—particularly food items, raw materials and machinery—can be obtained at a relatively cheaper rate than that now offered by Western industrialised countries such as the U.S. and Britain.

One of the reasons for the recent three overseas tours of Dr. Eric Williams, the Prime Minister, has been to lay the groundwork for new trade connections in Eastern Europe, China and other Communist states.

Two long-term commercial agreements are likely to be concluded within the next four weeks with Soviet Russia and Romania, to both of which Dr. Williams recently paid official visits.

Russia is expected to sell butter and other food items and to buy Trinidad and Tobago cocoa, coffee and citrus.

Romania is interested in selling oil and chemical equipment, agricultural machinery, textiles, drugs, meat, potatoes and powdered milk. Romania will consider buying Trinidad's oil products, garments, sugar, coffee and cocoa.

Trade with China is likely to be activated following the establishment of a Trinidad and Tobago embassy at Peking, headed by a charge d'affaires. Dr. Williams is already making arrangements to buy food, edible oils, construction materials, surgical instruments, toys and travel goods from China, and to sell natural asphalt, angostura, coffee, beans, sugar and cocoa.

Cuba is also involved in the new trading thrust, and the two governments have already exchanged visits by trade ministers.

Russia and GDR co-ordinate next Five-Year Plans

By Leslie Collett

BERLIN, August 4.

THE FIRST agreement between two Communist countries to co-ordinate their 1976-80 Five Year Plans has been reached between the Soviet Union and the German Democratic Republic. Other European Communist countries are expected soon to conclude similar agreements with Russia as well as with each other.

The draft of the terms signed by the East German and Soviet heads of planning commissions provides for joint GDR investment in Soviet raw materials extraction and processing. Examples are the laying by the GDR of a natural gas pipeline from the Orenburg field, GDR deliveries of rolling mill equipment for the integrated steel works at Kursk and investments in the cellulose plant at Ust Ilim.

In a form of compensation deal the Soviet Union will supply an "increased" but unspecified amount of raw materials, oil and natural gas to the GDR.

One Western specialist in Communist economy says the agreement on co-ordinating plans marks some progress. Communist countries are no longer merely drawing up annual lists of goods to be exchanged but are adjusting trade to longer-term

Sea Malta to tranship Chinese exports

By Our Own Correspondent

VALLETTA, August 4.

SEA MALTA has been awarded a long term contract by the Chinese National Chartering Corporation to handle the transshipment of Chinese exports to southern Mediterranean countries.

The deal will be signed at Peking later this week by Mr. Albert Mizzi, chairman of Sea Malta, who together with Premier Dom Mintoff initiated negotiations early this year while recently carried out a trial transshipment, taking exports from Shanghai to Libya, Algeria and Spain.

A Sea Malta spokesman said the nuts and bolts of the accord would be finalised at Peking next week. The company, he added, intended to develop transshipment from Malta into a major activity, and negotiations with other countries were already underway.

New American Motors plant

DETROIT, Aug. 4.

AMERICAN MOTORS Corporation has announced that it has acquired a plant from Hufnagel Manufacturing Company in Richmond, Ind., for the production of four-cylinder engines.

American Motors previously announced an agreement in principle with Volkswagenwerk AG to purchase 100,000 four-cylinder engines. AMC said that these engines will eventually be produced by it in the U.S. and built on an engine line purchased in part from Volkswagen.

AP-DJ

Export Contracts

BRITISH ROPES will make for STC 3,300 nautical miles of Dylform strand, worth around \$1.4m, for an undersea telephone cable between the Canary Islands and Venezuela.

Derby, has its first Middle East order, worth \$250,000, obtained at the first attempt, to design and make structural steelwork at the Sea Arm Maintenance Base at Doha, Qatar.

AP-DJ

Japan's exports

Japanese export letters of credit opened in July went worth \$3,553m, or 10.1 per cent below July 1974, and the biggest year-to-year fall since May 1958, when it was 12.7 per cent.

Sagging exports of steel and automobiles are among the items the GDR is to receive from the Soviet Union, and 320,000 mainly Zaporozhets and Zhiguli cars, are to be shipped by the end of 1980. The annual delivery rate is lower for this period than over the past two years, when Russia began exporting cars in larger numbers to the GDR.

AP-DJ

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AMERICAN NEWS

Korea likely to top agenda at U.S.-Japanese talks

By Peter Duminy

TOKYO, August 4.

KOREA IS LIKELY to be the main subject on which Mr. Takeo Miki and President Ford will find something new to say to each other in their two-day talks at the White House starting tomorrow.

Both Koreans appear certain to be discussed, in each case with reference to a recent Japanese initiative, and with the Japanese Prime Minister probably taking the line that tensions are easing perceptibly in the Korean peninsula.

Korean-Japanese relations remain too sensitive for the Foreign Ministry, and probably even for Mr. Miki, to risk public pronouncements that are too obviously specific. However, the Ministry is openly taking the line that the Far East in general is now "more relaxed" than in April-May in the immediate aftermath of the American withdrawal from Indo-China.

Korea's contribution to this state of affairs may be said to have included increased economic assistance to Indonesia and other nations, and the re-establishment of an official relationship with Taiwan (symbolised by the restoration of air services later this month) and that he may have something

diplomatic initiatives in North and South Vietnam.

However, the most important, as well as most recent, Japanese moves have been in Korea. South Korea was visited by the Foreign Minister, Mr. Kiuchi Miyazawa, on July 23, following which he announced Japan would close the abduction of the Kim Dae Jung affair (the abduction from a Tokyo hotel to Korea of a leading Opposition politician in 1973) without anything like the overt restitution previously demanded.

That top-level Japanese decision means Japan and South Korea are now in a position to resume their previous close relationship, including full Ministerial meetings (next month) and economic co-operation. There is every reason to expect this will prove welcome to the Americans.

Also last month, Mr. Miki secretly despatched a personal emissary, Mr. Tokuma Utsunomiya, to North Korea. This has been said to be at least two ways in which Mr. Miki has calmed domestic critics who were furious at the forgoing attitude adopted towards South Korea, and that he may have something

of interest to tell President Ford about the North.

Mr. Utsunomiya has come back after seeing President Kim Il Sung, apparently convinced that Pyongyang intends no military invasion of the South. He also brought messages clearly intended for the White House, including talk of a peace treaty.

All this may not be pure propaganda, as South Koreans predictably claim. However in one respect Mr. Miki's envoy did bring "bad" news. The North Koreans agreed to pay North trade debts, thus eliminating a source of considerable embarrassment to the Japanese.

Previously Japan had virtually withdrawn export credit insurance cover for shipments to North Korea, after claims (payments more than six months in arrears) had reached a reported \$10.8m. Cover is now available again, though subject to case-by-case approval.

There is no doubt that suspension of insurance was interfering with Japanese exports to North Korea, which more than doubled to \$395m in the 12 months to the end of March.

Congressional bid to approve Fed nominees

By Adrian Dicks

WASHINGTON, August 4.

A FRESH effort to assert Congressional control over U.S. monetary policy is being made by Senator William Proxmire, Chairman of the Senate Banking Committee, in the form of a Bill that would make nominations to the Federal Reserve Board subject to approval, and would limit the Fed's spending to Congressionally-agreed targets.

Senator Proxmire, who has frequently crossed swords in recent months with Fed chairman, Dr. Arthur Burns, said today that his Bill would "bring into the modern, post-Watergate world of accountability and openness."

Although he did not mention Dr. Burns by name, the Senator made clear the personal focus of his initiative by saying the need to make the Fed chairman and the Presidents of the 12 regional federal reserve banks subject to confirmation by Congress. In the case of the Chairman's position, Mr. Proxmire said, "the Senate confirmation would make him 'less vulnerable to political pressure'."

AP-DJ

New Mexican oil sources

MEXICO CITY, August 4. TWO NEW oilfields discovered last year at Chilapas and Tabasco, in Southern Mexico, have produced a total of 100m. barrels of crude in the past 12 months.

The report by Pemex, the Mexican Government oil monopoly, said that the new fields have put the agency in the black for the first time in many decades. Proven reserves in the two fields now stand at about 4.7m. barrels, but other surveys indicate that they may go as high as 20m. barrels.

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AP-DJ

Peron returns to crisis

BUENOS AIRES, August 4.

party for backing Dr. Nicosio Sanchez Toranzo as future leader of the Chamber of Deputies. A communiqué from labour legislators said they would fight her on the issue.

Meanwhile, Argentine businessmen to-night warned that recession was tightening its grip on the country amid "a profound and complex crisis". The powerful General Economic Confederation (CGE), which groups many of the country's businessmen, said that it would submit an emergency economic plan to the government of President Peron.

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AP-DJ

Disclosure of payoffs 'threatens' Lockheed

By Jay Palmer

NEW YORK, August 4.

LOCKHEED'S recent disclosure that it made \$22m. worth of "payments" to foreign officials and political organisations may well end up damaging a lot more than its overseas marketing ability and its domestic investment image. It could ultimately threaten the aerospace company's very survival.

Over the weekend, the top-level federal board set up to oversee the U.S. Government's guarantee of commercial bank loans to the company announced that it was looking into the possibility that Lockheed had violated its "contractual obligations" by not telling the board about the payments as and when they occurred.

Although no one is also likely to be seriously assumed that the board could not legally, if it wanted, withdraw its existing backing on outstanding bank loans totaling \$200m. to the company.

However, it is clear that the board, which consists of Treasury Secretary William Simon, Federal Reserve Board Chairman Arthur Burns and Securities and Exchange Chairman Ray Garrett, could refuse to guarantee any more of the loans unless Lockheed's maximum of \$230m.

Ironically, the board, in considering Lockheed's actions, is facing a potentially serious conflict of interest. While on one hand board members are committed to keeping Lockheed financially viable, Mr. Ray Garrett, as Chairman of the SEC, must also take a strong public stand against any lack of essential information disclosure.

U.S. orders 'will improve'

NEW YORK, August 4.

NEW ORDERS and production in the U.S. will continue to show improvement in each of the next three quarters, compared with the respective previous quarters, according to the July survey by the National Association of Purchasing Managers.

The group, which conducts monthly surveys, said 75 per cent of the responses expect the economic recovery to continue at a moderately healthy pace, while 25 per cent think it will be sluggish.

"The business recovery, underway since mid-second quarter, continues at about the same pace as forecast by purchasing managers last May," Mr. F. F. Andrews, chairman of the group's business survey committee, said.

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Syria and Jordan 'establish joint military command'

brokers and practicing solicitors in the United Kingdom, the Channel Islands or the Isle of Man: Approved Agents in the Republic of Ireland are defined in the Bank of Scotland's Notice EC 10.

The Scheduled Territories at present comprise the United Kingdom, the Channel Islands, the Isle of Man, the Republic of Ireland and Gibraltar.

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EUROPEAN NEWS

Ford and Tito both satisfied with talks

By Alexander Lebi

BELGRADE, August 4.

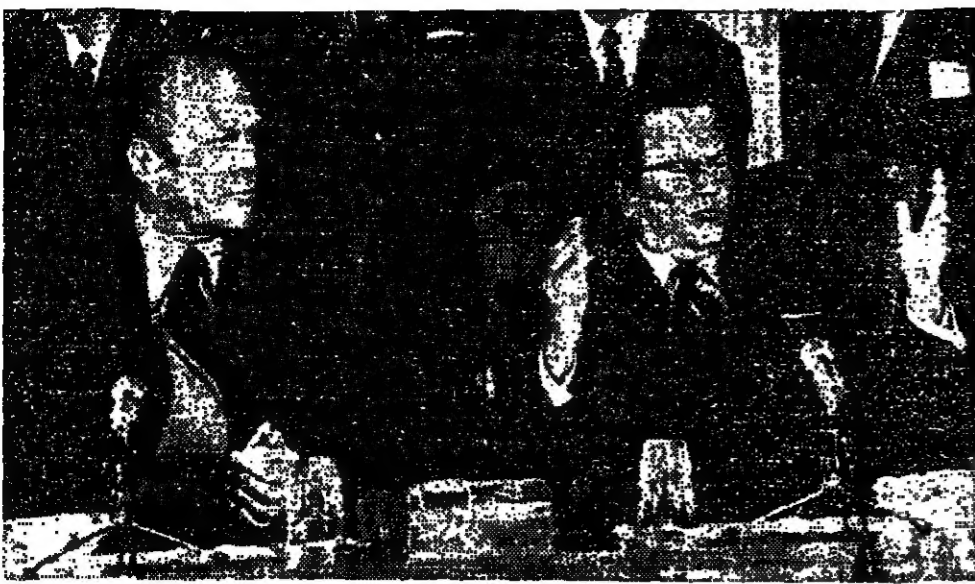
U.S. President Gerald Ford ended his 24-hour visit to Belgrade this afternoon and left for Washington, expressing his satisfaction with the conversations he held with Yugoslav President Tito. The Yugoslav also expressed satisfaction with the visit, which he said showed that American interest in Yugoslavia's continued independence, integrity and well-being, expressed often in the past, remains undiminished. They are also pleased with the President's pledge to give personal attention to developing economic and military relations between the two countries.

President Tito said in his statement at the end of official talks that the visit will be very beneficial for future Yugoslav-U.S. relations. There has been satisfaction as well about the discussions of international problems. It seems that the American side achieved one of its aims, to win Yugoslav support for moderation in dealing with international problems, like the Middle East, and for economic issues on the agenda of the next U.N. General Assembly.

The pledge to increase military co-operation revives the possibility of U.S. arms sales to Yugoslavia. There have been no cards for some time, but there had been speculation recently that negotiations were off.

The Yugoslav Government has launched a price roll-back campaign to stem inflation which has assumed alarming proportions with prices rising 30 per cent a year. As a first step excise duty on furniture, refrigerators and some other goods were reduced by up to 6 per cent, and the benefit passed on to consumers. There will be a revision of all price increases so far this year, including in the utilities sector, to bring them in line with the projections of economic policy for 1975.

All those who raise their revenue by taxing companies and other economic organisations — social security, health care, schools, etc. — have been required either to lower demand or to stop taking money if they have already taken more than foreseen.



U.S. President Ford (left) and Yugoslav President Tito at their Press conference in Belgrade yesterday.

Polish Press warms to the U.S.

BY LESLIE COLT

BERLIN, August 4.

LAST WEEK'S visit to Poland by U.S. President Gerald Ford has evoked one of the most pro-American commentaries in recent memory to appear in a publication of an East European ally of the Soviet Union.

The mass circulation Warsaw newspaper *Zycie Warszawy* writes that "since the end of the last war America is a country we look to with hope."

The newspaper's writer on U.S. affairs, Mr. Adam W. Wysocki, says that for young Poles "America is either the fatherland of the Apollo crew or that of Walt Disney." For his father's generation he calls it the "land of Wilson and his 13 points."

The second home of Paderewski. Reminders of close historical contacts between Americans and Poles are not uncommon in the Polish media but seldom have they reached the warmth of the latest Polish article.

After recalling the alliance between Poland and the "fatherland of Roosevelt and those smiling soldiers in green helmets and cowboy scarves," the newspaper describes the effects of the Cold War on Polish-American relations.

"Even in the worst years of this strange war, the mutual sympathies between our peoples did not fade. This is a fact which not even the most fanatical supporters of the

"Cold War" on both sides of the ocean could deny."

The author notes that the most important element in the near future will be a "sincere partnership" between the Americans and Poles. He comments on a growing recognition in the U.S. that Poland "played and will continue to play a not unimportant role in developing and securing defence."

The enthusiasm of the article and others that have appeared in the Polish media during the past days appears to confirm the theory of some American diplomats that their country is most popular where their political influence is the least.

Hungary raises prices of timber, petrol

BY PAUL LENDVAY

VIENNA, August 4.

IN A BID to counter the effects of imported inflation and to reduce the growing burden of budgetary subsidies, the Hungarian Government has decided to increase petrol and timber prices. As of 10-day all grades of petrol cost the average 20 per cent more. At the same time the prices for a wide range of building materials, mainly of timber, go up on average by 20 to 40 per cent.

This is the second time within a year that petrol prices have been revised upwards. On September 1, 1974 petrol and heating oil prices went up by 40 per cent. As of January this year

prices for a number of consumer goods, including household appliances were also increased.

The latest price rise primarily hits the medium and higher income groups. Nevertheless the chairman of the Price Office claimed in an interview yesterday that the latest increases will raise the overall consumer price index only by 0.2 per cent, and that the price level this year will be up by only 3.6 per cent, as projected in this year's plan.

Meanwhile, the growing external payments difficulties also affect the Press. As of August 1 the size of the three Budapest national dailies, in-

cluding the Central Party paper, will be reduced by eight pages to a weekly total of only 76 pages each, while a fourth daily, *Magyar Hirlap*, will no longer be published on Mondays. It is claimed that the reductions will save the country "many thousands of tons of newspaper."

Despite a slight improvement, Hungary's balance of trade with the convertible currency areas showed a deficit during January-June this year. While imports jumped during the recorded period by 16 per cent, compared with the first half of 1974, exports were lower than during the same period last year.

This also means that the loan will be free from political, curbs should public opinion come out against advancing such a large amount of money to the Soviet Union. As the U.S. experience has shown, Congress was able to pass legislation restricting the amount of money the Eximbank could advance the Russians.

The project for which the money is earmarked is the Orenburg gas pipeline, the largest Comecon project in the next Five Year Plan. The 1,700-mile pipe will convey gas from the Urals to Russia's allies in Eastern Europe. Work is to begin later this year, and the first gas will flow in 1978, and full throughput of 15.5bn. cubic metres a year will be achieved in 1980.

Although the work is being undertaken by a Soviet general contractor, *Soyuzintergazprom*, six other Comecon countries are participating, which is why the money may be raised by the Comecon bank.

Pipes for the project have already been ordered from West Germany, and compressor stations may be purchased in the U.S. Without western technology, observers maintain, the project would be impossible.

If the Russians succeed in raising a \$1bn. loan, it will be the largest of its kind ever put together by a Comecon country. Although the Comecon banks have been making loans for some years, it was only this year that a Russian bank, the Foreign Trade Bank, came on to the market for a syndicated loan. In quick succession it borrowed \$100m. and \$250m. and many bankers speculated at the time that the Russians would be back for more and bigger loans.

Soviet creditworthiness being excellent, the Russians should not have much trouble raising \$1bn. But bankers may demand that the Russians stop trying to force interest rates down to rock bottom, and that they give some more details about what the money is being borrowed for. The last Soviet loan, raised in July, carried the lowest possible rate in present conditions and was not tied to any specific project.

ENI GETS NEW PRESIDENT

MILAN, August 4.

SIG. PIETRO SETTE, a 60-year-old lawyer and fiscal adviser, was formally appointed by the Government to-day as President at ENI, the big state hydrocarbons group. Sig. Sette succeeds Sig. Raffaele Girotti, who resigned.

ENI employs about 100,000 workers and operates chiefly in the petrochemical field, with interests in 200 companies in Italy and abroad. The company posted overall sales of L.4,700bn. in 1974.

AP-DJ

End of the road for the Italian minicar

By Anthony Robinson

ROME, August 4.

AN ERA has come to an end at Fiat following the final shut-down of the last Fiat 500 "Cinquecento" assembly lines at the Termini Imerese plant in Sicily. This was the last small assembly operation of what was once a massive production operation in Turin and elsewhere.

More than 4m. of these tiny, box-like cars have been produced in various forms since it was introduced in 1957 as an updated version of the famous Maggiorino. The Cinquecento was the car which replaced the scooter as the average Italian's dream of motorisation and the model which more than any other symbolised Italy's industrial growth and the dawn of post-war prosperity.

It was the archetypal minicar, but that never stopped the Italians packing the whole family, grandma and kids and all, into the tiny insect to zoom off to the sea or mountains, with luggage piled up carefully but precariously on the roof.

It went virtually everywhere and cost virtually nothing to run. As little as five years ago the Cinquecento cost a little over £350 to buy. At the end, inflation had brought it closer to £800.

Minicars, however, as Henry Ford II once said, mean miniprofits and the Cinquecento, which contributed so massively to building up Fiat's market penetration, has been gradually upstaged by slightly larger and more powerful models. Its place has been taken by the Fiat 125 which now takes over as the baby of the Fiat family.

Danish PM will visit Portugal

By Hilary Barnes

COPENHAGEN, August 4.

DANISH Prime Minister Anker Jørgensen is to visit Portugal on August 10-11, he announced following yesterday's meeting in Stockholm of leaders of European Social Democratic parties. The Prime Minister said that he was going at the invitation of Portuguese Socialist leader Mario Soares. He said that he would be giving his moral support to the Portuguese Social Democrats but emphasised that he did not intend to interfere in Portugal's domestic affairs.

The islands are now controlled by a triumvirate, headed by Prince Said Mohammed Jaffer. It has appealed to all political groups to form a directorate, the first task of which will be to draw up a new constitution.

The spokesman for the new regime, M. Ali Solih, who led yesterday's coup, to-day accused M. Abdullah of wanting to lead the Comoros towards a complete break with France. It was M. Abdullah who last month issued a unilateral declaration of independence to pre-empt a constitutional procedure which would have allowed one of the islands, Mayotte, to retain its links with France.

M. Abdullah was "visiting another island when Mr. Solih and a group of about 50 armed supporters seized control of Moroni, the capital, in a bloodless coup."

Prince Said Mohammed Jaffer is one of the best known political figures in the Comoros and upturn in sales to these countries plus a slight increase to the islands in the French Senate

Cyprus talks reached 'key federation understanding'

BY METIN MUNIR

ANKARA, August 4.

AN UNDERSTANDING which may be crucial in reaching a solution to the Cyprus question came about in the latest round of the Vienna talks between Turkish/Cypriot leader Rauf Denktaş and Greek/Cypriot negotiator Glafcos Clerides, an authoritative source said here to-day.

It relates to the two biggest obstacles encountered to date—Turkish constitutional demands for the establishment of a two-zone federation with a weak central Government, and a Greek demand for the redrawing of the Attila Line in their favour.

According to the source, close to the Cyprus negotiations, Mr. Clerides told Mr. Denktaş that he would meet the Turkish constitutional demand if the Turks reduced the territory to be retained from 40 to 25 per cent. Mr. Denktaş insisted on 35 per cent, saying that Turkish Cypriots, who constitute 20 per cent of the island's population, owned this amount of land. The two men agreed to take up the subject in

their next round of talks in New York on September 8.

Before that they will meet for a week in Nicosia from September 1-6 to discuss their draft proposals. Both sides will submit maps with their version of the proposed new boundaries for their zone. Also, the source said, they will exchange views on the authority for the future central government and, at Mr. Denktaş's suggestion, an interim government with equal participation by the two communities.

There will naturally be a long period of bargaining, the source said. But he called the agreement "very positive, and a big step towards the solution of the Cyprus problem." He pointed out that the Greeks, who had been insisting on a federation with a strong central government, had accepted the Turkish territorial bargain margin had been reduced to 10 per cent.

Mr. Clerides indicated there would be "real negotiations" in New York next month since all procedural difficulties had now agreed to take up the subject in

and at midnight to-night, a Government spokesman said.

Marital law was imposed on 11 of Turkey's 67 provinces when Turkish troops landed on Cyprus. It was gradually lifted in seven provinces, but remained in force in the provinces containing the cities of Ankara, Istanbul, Izmir, and Adana.

Our Nicosia Correspondent writes: Mr. Clerides to-night rejected criticism from the Greek Cypriot Press that the way he handled the negotiations was contrary to the policy line given him by President Makarios.

He told reporters here that he had acted in accordance with instructions handed him by Archbishop Makarios as these had been formulated by the Cabinet. He said the Greek Government considered the agreement reached in Vienna as "very satisfactory."

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Comoros to 'keep French links'

BY ROBERT MAUTHNER

PARIS, August 4.

THE OPPOSITION group which yesterday overthrew the Comoro Islands Government led by President Ahmed Abdullah has declared its intention to retain close links with France after the archipelago, situated in the Indian Ocean between Madagascar and Mozambique, has become independent.

The islands are now controlled by a triumvirate, headed by Prince Said Mohammed Jaffer. It has appealed to all political groups to form a directorate, the first task of which will be to draw up a new constitution.

The spokesman for the new regime, M. Ali Solih, who led yesterday's coup, to-day accused M. Abdullah of wanting to lead the Comoros towards a complete break with France. It was M. Abdullah who last month issued a unilateral declaration of independence to pre-empt a constitutional procedure which would have allowed one of the islands, Mayotte, to retain its links with France.

M. Abdullah was "visiting another island when Mr. Solih and a group of about 50 armed supporters seized control of Moroni, the capital, in a bloodless coup."

Prince Said Mohammed Jaffer is one of the best known political figures in the Comoros and upturn in sales to these countries plus a slight increase to the islands in the French Senate

until UDI was declared on July 6.

French official reaction to the coup has been to say the least, laconic. In Paris, the State Secretary for French Overseas Territories, M. Olivier Stirn, said that the coup was an internal Comoro Islands affair.

He added that the French Government, which accepted the

island's independence following a referendum last December at which over 90 per cent. of the population voted in favour of such a solution, was not opposed to the unity of the archipelago provided that this was accepted by all four islands. It is clear, however, that France would like Mayotte to be allowed to decide on its own future.

buyers of bullion at the U.S. gold auction.

So the IGC believes that the krugerrand sales for the whole of 1975 will be very close to 5m. coins (3.2m. in 1974) since sales in the first seven months of 1975 have already exceeded 1974's total figure. But sales for August are unlikely to be as high as those for July, though they are exceeding expectations.

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Soviets seek at least \$1bn. in loans from West

BY DAVID LASCELLES, EAST EUROPE CORRESPONDENT

THE SOVIET UNION has made several approaches to the West for a loan of up to \$1bn. in recent months and may be negotiating other loans too, according to Western banking and diplomatic sources. The money is needed to finance giant projects scheduled under the next Five Year Plan beginning next year.

So far, at least four approaches have been noted, two to American banks and two to

Japan. But the Russians have been making known their general interest in more money since the beginning of the year, confirming that despite windfall profits from oil and gold sales, they still need huge sources of foreign finance.

The Russian approaches are believed to be under consideration in the West, though one of them, for an untied credit at low interest rates from Japan's state

Export-Import Bank is reported to have been turned down flat. Japan has already advanced Moscow over \$1bn. at subsidised rates for Siberian energy projects.

The fact that the Russians have approached foreign banks shows they are prepared to borrow this sum at commercial rates on the capital markets, instead of trying to get it through Government

portions, and it seems likely that they want it not in their own name but through a Comecon bank, the International Investment Bank, which handles finance for major East European projects involving more than one country.

This also means that the loan will be free from political, curbs should public opinion come out against advancing such a large amount of money to the Soviet Union. As the U.S. experience has shown, Congress was able to pass legislation restricting the amount of money the Eximbank could advance the Russians.

The project for which the money is earmarked is the Orenburg gas pipeline, the largest Comecon project in the next Five Year Plan. The 1,700-mile pipe will convey gas from the Urals to Russia's allies in Eastern Europe. Work is to begin later this year, and the first gas will flow in 1978, and full throughput of 15.5bn. cubic metres a year will be achieved in 1980.

Although the work is being undertaken by a Soviet general contractor, *Soyuzintergazprom*, six other Comecon countries are participating, which is why the money may be raised by the Comecon bank.

Pipes for the project have already been ordered from West Germany, and compressor stations may be purchased in the U.S. Without western technology, observers maintain, the project would be impossible.

If the Russians succeed in raising a \$1bn. loan, it will be the largest of its kind ever put together by a Comecon country. Although the Comecon banks have been making loans for some years, it was only this year that a Russian bank, the Foreign Trade Bank, came on to the market for a syndicated loan. In quick succession it borrowed \$100m. and \$250m. and many bankers speculated at the time that the Russians would be back for more and bigger loans.

Soviet creditworthiness being excellent, the Russians should not have much trouble raising \$1bn. But bankers may demand that the Russians stop trying to force interest rates down to rock bottom, and that they give some more details about what the money is being borrowed for. The last Soviet loan, raised in July, carried the lowest possible rate in present conditions and was not tied to any specific project.

ENI GETS NEW PRESIDENT

MILAN, August 4.

SIG. PIETRO SETTE, a 60-year-old lawyer and fiscal adviser, was formally appointed by the Government to-day as President at ENI, the big state hydrocarbons group. Sig. Sette succeeds Sig. Raffaele Girotti, who resigned.

ENI employs about 100,000 workers and operates chiefly in the petrochemical field, with interests in 200 companies in Italy and abroad. The company posted overall sales of L.4,700bn. in 1974.

AP-DJ

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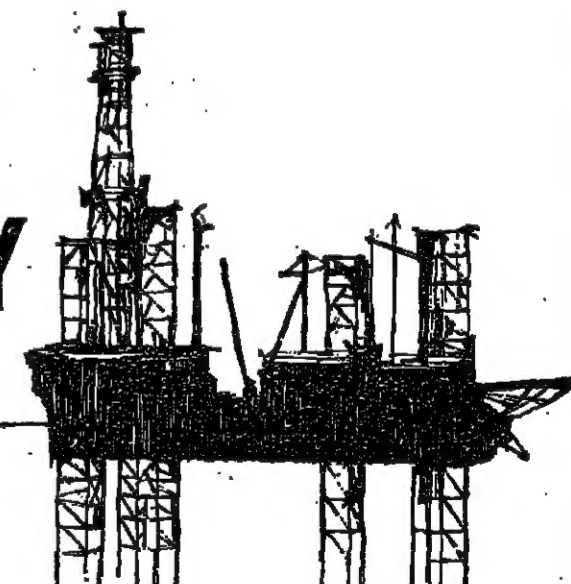
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HOME NEWS

ICL to make further 205 redundant

BY CHRISTOPHER LORENZ

INTERNATIONAL COMPUTER plans to sack up to 205 employees—bringing to more than 600 the number of redundancies announced this summer.

The new cuts are to be made in the manufacturing division, but did not, ICL stressed last night, imply any reduction in output.

Employees have been told that economic conditions require the company to be increasingly competitive in order to achieve the planned levels of turnover. Present U.K. inflation levels mean that every opportunity for cost-cutting and increased efficiency has to be sought out and implemented immediately if the majority of jobs in the division are to be preserved.

The cut results from a thorough review of excess requirements, and involves a combination of production transfers (from two Stevenage sites to an under-utilised Letchworth plant) and reductions in supervisory and clerical grades.

at Stevenage, Letchworth and Winsted, Cheshire. The production transfer concerns the 1902T computer model.

Nervousness

In mid-June ICL announced the closure of its Stevenage development centre, one of three in the company. About 400 of the 600 employees are being made redundant.

There is some nervousness within ICL about the employment outlook due more to continued uncertainty over its future production of peripherals—including printers and tape drives—than to the patchy state of the international computer markets.

ICL has been hoping for an early decision about its proposed joint U.K. peripherals factory with NCR and Control Data, two U.S. computer companies. Negotiations have been dragging on since last year's declaration of intent was signed, with one of ICL's major shareholders loath to approve the operation.

Twomey 'spotting' denied by Army

By Giles Merritt

REPORTS that an Army patrol spotted Mr. Seamus Twomey, the Provisional IRA's new chief of staff, in the Falls Road area of Belfast a week ago but refrained from "top level instructions" from arresting him were flatly denied by the Army last night.

The Army's account of the episode is that a man "resembling Twomey" was identified in a Falls Road shopping precinct by a Royal Highland Fusilier patrol, but the man vanished during the time it took the soldiers to find an RUC police officer to accompany them.

The Army version, however, is likely to be viewed with some scepticism in Loyalist circles. Coupled with the fact that it is standard procedure for military patrols to detain suspects and then hand them over to the civil police authorities, there have also been reports that Mr. Twomey had been living in Springfield Road, Belfast, for three weeks before the sighting.

Reflecting the general Loyalist view that some form of "safe conduct deal" may have been reached between Mr. Merlyn Rees, Secretary of State, and the IRA Provisional, and of the overall cease-fire agreement, Mr. William Craig, Vanguard's leader, plans to table a Parliamentary question for Mr. Rees to that effect.

Concerned

Mr. Rees is likely to be more immediately concerned by the rising trend of attacks on security forces in predominantly Roman Catholic areas of Northern Ireland. This week-end there have been three ambushes, with Army patrols in Stewards-town and Derry coming under fire and an attack on RUC men in the Strabane area.

In addition, police are working on the theory that Friday's attack near Bambridge on a car carrying five pensioners returning from a bingo session, which resulted in one death and four wounds, was an error and the intended target had been an RUC vehicle.

Responsibility for the incidents has yet to be determined and it could be that the Provisional IRA is not directly involved, but the increase in attacks is expected to come high on the agenda when Mr. Rees meets Lt-Gen. Sir David House, the new GOC in Northern Ireland and Sir James Flanagan, the RUC's chief constable, at the regular weekly Security Review.

Electricity boards seek aid over costly coal stocks

BY PETER FOSTER

COAL STOCKS at power stations are 50 per cent up on this time last year and could be heading for record levels.

Mr. Alex Eadie, Energy Under Secretary, told the Commons yesterday that 17.1m. tonnes of coal were held at power stations, compared with 11.8m. tonnes in August last year and a record 18m. tonnes in 1973.

The stock levels indicated by Mr. Eadie — of which 16.4m. tonnes are accounted for by the Central Electricity Generating Board in England and Wales and the remainder by the Scottish Board — are well above the minimum levels required under EEC rules and are costly to finance.

Under the 50-days stock rule recommended by the EEC, the CEGB would need only about 12m. tonnes of coal. The cost of financing the extra 4.4m. tonnes has been estimated by Mr. Arthur Hawkins, the Board's chairman, at around 50m. annually. The CEGB is now negotiating with both the National Coal Board and the Department of Energy on assistance to meet these costs.

The most recent figure for stocks held by the NCB is 6.6m. tonnes, which is just below the level of this time last year. Although the CEGB expects to burn some 6 per cent less fuel in the current financial year than in 1974-75, this will fall entirely upon oil consumption, of which around 13.7m. tonnes coal equivalent will be burned, compared with over 20m. tonnes last year.

The generating board took more than half of the NCB's output last year and is expecting to increase its coal burn marginally in the current year, from just over 64m. tonnes to more than 66m. tonnes.

Coal is still cheaper than oil in terms of generating costs—although the gap has been narrowed to less than 10 per cent by the coal price increases of the last year—and oil supplies remain under the cloud of political uncertainty in the Middle East.

In addition the OPEC nations are expected to impose an oil price increase in the autumn, while Sir Derek Ezra, NCB chairman, recently made a tentative promise to hold coal prices this year.

Mr. Anthony Wedgwood Benn, Energy Secretary, told the Commons yesterday that stocks and supplies should be adequate to see the country through the winter.

Contingency plans are available should they be needed and I shall continue to develop measures to achieve savings, including the publicity campaign.

Pointing out that the recession had reduced electricity consumption, Mr. Benn acknowledged that the hazards of a harsh winter remained.

The CEGB is estimating that output of electricity for 1975-76 will be some 205,000 Megawatt hours against 213,000 MWh last year.

Sotheby's turnover drops 16% and Christies 21%

BY MICHAEL THOMPSON-NOEL

THE London art market's return to a healthier, more rational footing after the great art boom of 1973 was the theme adopted yesterday by the larger auction houses in reporting their sales figures for the switchback season just ended.

Sotheby's Park Bernet's turnover for the year was £75.1m, a 16.8 per cent fall on 1973-74, and Christie's turnover dipped 21.8 per cent to £33.7m. Phillips, the third biggest auction house, showed a small gain from £10.4m to £10.7m. At Bonham's, turnover fell by 11.5 per cent to £2.1m.

The three largest companies emphasised that the depression of last autumn, when prices in some sectors dipped sharply, had been erased by the market's recovery since Christmas.

Sotheby's said: "The flow of material for sale began to increase in January, and the high prices in the saleroom speeded up this flow."

Reinvestment

"In recent months it has become more and more evident that owners are selling selected examples from their collections and immediately re-investing part of the money obtained in other works of art—sometimes even at the same sale."

Christie's said that since the New Year there had been a "remarkable recovery and prices now compare favourably with last year."

Phillips said: "Good quality works of art, particularly the smaller, more portable items, have continued to rise in value and we confidently expect this trend to be the best hedge against inflation."

Sotheby's leading departmental sales figures in New Bond Street were: Impressionists £6.6m, and manuscripts £3.3m, and Chinese porcelain and Old Masters £2.2m each, while in New York jewel sales totalled £3.2m, and Impressionists £2.8m.

Demand for the best Impressionist and modern paintings remained steady throughout the year, and Sotheby's also noted significant price surges in art nouveau and art deco, English prints (particularly the work of the pre-Raphaelites and the Vorticists), Japanese Iwories, fine English porcelain, and arts and crafts furniture of the late 19th and early 20th centuries.

Christie's total of £33.7m. includes £8m. plus for sales in Geneva, Amsterdam, Madrid, Rome, Montreal, Sydney and Melbourne, and £1.2m. at blue and white jar which had been heavily restored fetched £150,000, and in July a Ming bowl



Part of a Sevres ornithological dinner service which fetched £33,600 at Christie's.

service for art works in the lower price range.

Christie's said last night: "When considering the lower sales total it must be remembered that during the season there were fewer major collections such as those of Sydney J. Lamon, Kurt Meyer and Frederick M. Mayer, all from America, which Christie's sold during 1973-74 for nearly £5m."

"Added to that, there has undoubtedly been less English buying because of fears of a wealth tax."

One of Christie's best historic sales of the past season was the sale of 8,000 cases of first-growth claret from Lafite and Mouton-Rothschild for £431,000 (including £500 for a case of 1945 Lafite). There were 310 buyers from all parts of the world.

Phillips, whose turnover gain in a difficult year reflects its strength in the market's lower price ranges, noted that institutional buyers were investing in sound, high-quality "boardroom" furniture as a likely inflation hedge, and that demand for rugs, Victorian paintings, English and Continental ceramics, jewellery, stamps, books and musical instruments had been uniformly strong.

Building societies urged to release more funds

BY JOE RENNINGSON

A CALL TO the building societies to release more of the funds they hold as liquid assets into mortgages for potential borrowers so as to stimulate the house-building industry came yesterday from the House-builders Federation.

The Federation said the liquid funds stood at £4,285m, or 19.5 per cent, of societies' total assets—a record amount of money for the societies to keep in cash and investments.

This reflected far too cautious an attitude by the societies, who admit in their Bulletin Facts and Figures published yesterday, that there is little likelihood of another price explosion.

House builders are particularly worried that the percentage of mortgages granted on new houses has fallen from a

high of 37 per cent, to the present figure of about 19 per cent. It said that if the societies reduced liquidity by only 2 per cent, £50m. would be released for mortgages and help to stimulate the ailing house-building sector.

New housing starts are running at a level of barely half what they were in the boom period and one in six of the total number unemployed in the country are construction workers.

The building societies said that they did not agree with the diagnosis of the builders' problem. They were now pumping record amounts of money into the property market. If there were a strong demand for more houses, there would be no difficulty in finding the mortgage finance.

BA will deny Shuttle is unfair competition

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

THE BATTLE between British Caledonian Airways and British Airways over the future of the British Airways' no-reservation Shuttle service between London's Heathrow Airport and Glasgow resumes today, when Mr. James Scarlett, for BA, will seek to rebut evidence given last week by Caledonian.

BCAL is seeking a differential fare in its own favour and a cut in the number of Shuttle flights on the grounds that the Shuttle creates "unfair" competition at a time of substantial losses on U.K. domestic air routes.

Caledonian spent much of Thursday outlining its case to the Civil Aviation Authority in London, with Lord Boyd-Carpenter, chairman of the Authority, presiding.

Mr. Scarlett is expected to argue strongly at today's hearing that Shuttle is proving popular with the passengers, who have a choice between this service and BCAL's conventional jet service at the same fare. If passengers prefer the Shuttle it must be because that service suits their convenience.

He will also say that Caledonian, whose predecessor,

British United Airways, first went on to the route in 1964, knew well what the competitive situation was when it began operations and therefore, cannot claim now that it is being faced with unfair competition.

Mr. Adam Thompson, chairman of BCAL, said before the Shuttle started this year that BCAL was not afraid of it and would compete by offering "a better product for the same money"—a high quality service on its own jet operations between Gatwick airport and Glasgow.

Caledonian, in effect, is admitting now that its efforts have failed.

BA is conscious of the fact that if it loses the case and has to cut the number of Shuttle flights, as well as charge a higher fare, the whole foundation upon which Shuttle is based will be destroyed and there will be no point in continuing with it.

Quick status

BRITISH DEBT Services is launching a 24-hour commercial status reporting service. Mr. John Bonham, chairman, said yesterday: "It is designed to help companies do business with creditworthy companies and to decide fast, before their competitors arrive on the scene."

New rules for food price information

THE GOVERNMENT has reduced the amount of price information that retailers will have to display when selling subsidised foods.

Shoppers will have to display only the maximum prices of the three best-selling brands of any subsidised line. However, a list of the prices of the other brands in the sector must be available to shoppers on request.

Except on tea, retailers have

'Green light' buses run half empty

By Lorne Barling

A SCHEME to persuade motorists in Nottingham to make more use of public transport, which includes free coaches from the outskirts, went into operation yesterday with few complaints but little increase in the use of buses.

The aim of the scheme is to use traffic lights to keep congestion on the way into the city at a level which will allow more efficient operation of public transport. Transport authorities had one complaint yesterday, from a motorist who claimed he had been kept waiting for 13 minutes at a traffic light.

The County Council transport department said: "It is not our aim to delay motorists, but to redistribute the congestion. The system will be tried for 12 months and be monitored continuously."

Traffic was light yesterday because of the summer holidays, and there was little congestion—but buses ran half empty. The council said the scheme had been started intentionally during the holiday season and it was hoped to keep traffic down to present levels.

Wool industry seeks ban on imports

BY OUR BRADFORD CORRESPONDENT

A RESTRICTION on imports of wool and man-made fibre—particularly from the Far East—has been included in a seven-point action programme put forward today by Britain's wool textile industry with the aim of preventing more mill closures.

Details have been sent to the Yorkshire-based industry to local MPs, ahead of tomorrow's debate in the Commons on the state of the textile industries.

The industry also wants the EEC, as a matter of urgency, to negotiate protection from disruptive low-cost imports of service yarn, clothing and types of fibre and knitwear. Protection can be provided under the Community's multi-fibre agreement.

Statistics provided by surveillance agencies should be used to identify and counter existing and newly-emerging disruptive imports before they cause further damage to certain sectors, the industry urges. Action is also sought against imports of low-priced wools from Italy.

The massive assistance promised by the Prime Minister under the Industry Act of 1972 should be used to give financial assistance to companies faced with large bills for installation of guards on carding engines.

The industry also wants instructions to be given to Government departments, State trading industries and local authorities to buy British-made textiles and clothing in preference to imports.

Roy Stroud, chairman of the Wool Textile Delegation, said yesterday that immediate action was needed to preserve the wool textile industry.

Textile unions in lobby to reprieve mills

TEXTILE UNION leaders will travel to London today to talk with their MPs in readiness for tomorrow's emergency debate on the industry. They have proposed to the Prime Minister a formula for saving two Manchester mills from closure.

The union proposes the establishment of a purchasing agency to buy up yarn stocks at Courtauld's Empress Mill at Wigan and the Mill at Rochdale, part of the Agremin group, both of which are scheduled to close shortly. If yarn produced at either mills met consumers' requirements, import licences for the material would be refused.

The scheme is coupled with the demand for an assurance that there will be no further mill closures in the North-West.

Plastics men attack Soviet imports deal

FINANCIAL TIMES REPORTER

THE BRITISH Plastics Federation has protested to the Government at the impact of the Anglo-Soviet economic co-operation programme on the British plastics moulding machines industry.

The agreement—providing for Britain to import Russian-made moulding machines, which will then be fitted with British-made electronics—will, the federation says, result in the complete domination of the £10m market for moulding machines by imports.

The agreement was a "scandal" and "must be changed for the sake of the industry, its member companies, its employees and their families."

The federation has written to both the Government and the Opposition saying that the provision ignores complaints of dumping made by the federation

about Soviet-built injection moulding machines.

Moreover, the agreement was "basically inequitable" as the electronic controls, which will be supplied by British manufacturers, accounted for only eight per cent of the total selling price of the machines. The other 92 per cent would be supplied by Russian electronics.

The federation is also annoyed that there was no detailed consultation with the industry about the plastic moulding machine agreement. It feels that the provision does not fit in with the Government's own policy for the U.K. plastic machinery industry which employs about 1,000 people.

Two official reports on the industry have recommended that it improve its overseas trade and domestic competitiveness. "This provision could wreck the latter," the federation says.

STOCK EXCHANGE BUSINESS IN JULY

Strong recovery in gilt-edged

BY GEOFFREY FOSTER

BUSINESS ACTIVITY in the gilt-edged sector of stock markets jumped sharply in July, but that in equities continued to decline.

Trading volume in British Government Securities leapt 22.7m., about 58 per cent, on the month to £7.5bn., the highest since January's record, £5.4bn.

The increase occurred mainly in long-dated stocks where a measure of the attractions in this field was the record applications made for the intended new "tap" stock. Treasury 13½ per cent, 1997; off-take before deals began in the issue was such that not enough was left of the £750m. stock to provide an effective "tap."

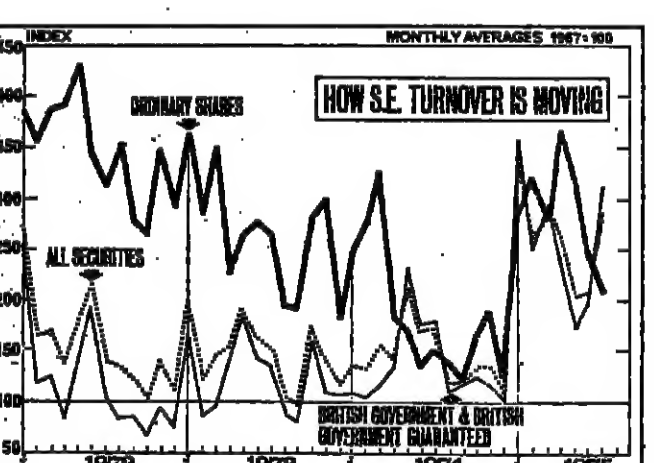
Turnover of other fixed-interest securities rose £1.6bn. on the month to £3.5bn., while turnover in short-dated stocks totalled £3.5bn. a rise of 51bn.

The number of bargains in gilts as a whole rose by 17,966 to 72,541, about 980 more than the January boom total of 71,661. The position was reinforced by a large expansion in the average size of bargains transacted, particularly in the longs where it jumped from 599,701 in June to 1,032,486 in July.

The Financial Times Stock Exchange Turnover Index for British Government Securities jumped to 310.7 in July, its highest since January's 356.9, and is now about 75 per cent higher than the year's "low" of 174.6 recorded in May. Last year's average was only 135.0.

In contrast, trading volume in the equity sector continued to deteriorate, turnover falling from £1.4bn. in June to £1.2bn. This is the lowest month's trade so far this year, and made a poor comparison with April's near-record £2bn.

The number of bargains dropped 46,133 to 322,940—the lowest since December last year. The Financial Times Turnover Index for Ordinary Shares thus receded further in July to 306.8, compared with 248.2 in June, 319.5 in May and 360.0 in April. However, July's 206.8 compares favourably with last year's average of 187.5. The average



value per equity bargain fell to 33.58p from June's 33.76p.

"Business in All Securities jumped £2.6bn. to £9.4bn., the highest since March, and only about 15 per cent below January's record figure of £10.9bn. The total number of bargains, however, fell a further 29,246 to 441,839, reflecting the idle conditions in equities."

The Financial Times Turnover Index for All Securities rose to 287.2, against June's 266.7 and January's record 335.8. Last year's average was 144.9.

The Government's anti-inflationary plans saw the long-end of the gilt-edged market in good demand last month. Strong institutional buying brought gains of up to a point and a half at times, 281.8, the Financial Times 30-share index rose to 327.6 on July 9 then drifted down to close the month a net 8.5 points off at 328.3.

Gold mining shares generally drifted lower in July. The weakness of the investment dollar in the price of gold bullion and the absence of cuts in public expenditure and fears that the unions would not accept the wage restrictions were adverse factors in a subsequent equity downturn.

From the end-June figure of 281.8, the Financial Times 30-share index rose to 327.6 on July 9 then drifted down to close the month a net 8.5 points off at 328.3.

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From an end-June level of 418.2, the Gold Mines Index fell sharply to 387.3 on July 21 before closing the month a net 59.9 lower at 388.8.

Category	Value of all purchases % of sales total	Number of bargains % of total	Average value per day	Average value per bargain	Average no. of bargains per day
British Govt. and British Govt. Guaranteed: Short dated (having five years or less to run) ...	3,905.0 40.6	34,398 7.3	165.4	110,618	1,495
Others	3,526.5 37.7	33,243 8.7	153.8	82,485	1,663
Irish Govt.	438.4 4.7	2,996 0.7	19.0	141,575	124
U.K. Local Authorities	321.1 3.4	7,439 1.7	14.0	49,650	324
Overseas Govt. Provincial and Municipal	15.9 0.2	1,531 0.3	0.6	9,724	27
Fixed Interest Stocks Pref. and Pref. Ord. Shares	96.4 1.0	24,172 7.7	4.3	2,890	1,486
Ordinary Shares	1,156.1 12.4	322,940 73.1	30.4	5,589	34,041
TOTAL	9,753.3 100	441,839 100	407.6	21,216	19,411

*Average of all securities.

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مكتبة

PARLIAMENT



Mobility allowance review promised

A LORDS amendment to the Social Security Pensions Bill to increase the 55 a week mobility allowance for disabled people each year, was rejected in the Commons. Instead, a Government change was accepted without a division, providing for an increase to be considered in light of the national economic situation, as well as the general standard of living.

This takes effect from the 1976-77 tax year and will continue in subsequent years.

Mr. Michael Meacher, Under-Secretary, Social Services, stressed: "We are committing ourselves to an annual review. This is an important innovation."

Earlier, Mr. Meacher said: "We are concerned to include an examination, which we believe was the original intention, and we want to have a regular review, but not necessarily an annual one. We say that there can be a review only if economic circumstances allow it."

"Automatic" ratings in line with the earnings rule may be appropriate with basic maintenance benefits—where, in fact, it applies—but it is of a different order of importance for the allowance with which we are concerned."

During the discussion MPs from both sides of the House complained that the sharp increase in petrol prices coupled with the rise in rail fares had not disabled people at a disadvantage, particularly those who received a private car allowance.

Mr. Meacher said this argument was somewhat irrelevant. "The mobility allowance was introduced primarily to benefit many of the most severely disabled people who in the past have received no help at all with their mobility problem simply because they cannot drive."

Airport policy documents

TWO COMPREHENSIVE consultation documents on the development of airports policy would be published within the next six months, the Trade Secretary, Mr. Peter Shore, said.

He told Mr. Richard Mitchell (Lab.) in a Commons written reply that the first document, covering future traffic and the development of airports in the London area, would be published in October.

The second, dealing with the possibilities for particular regional airports, would follow early next year.

End aid to India, says MP

A CALL for the ending of British aid to India because of recent political developments, was turned down in the Commons by Mr. Reg Prentice, Minister of Overseas Development.

First 'Forties' oil ashore by end of October

BY OUR PARLIAMENTARY STAFF

BP NOW expects the first oil from the Forties Field to reach Grangemouth by about the end of October, Mr. John Smith, Under-Secretary for Energy, told the Commons yesterday.

He agreed with Mr. Dennis Canavan (Lab., W. Strathclyde) that it would be a very important occasion, and one worthy of widespread celebration.

Mr. Hamish Gray (Scot., Ross and Cromarty) pressed for some indication as to whether the Government regarded the present refining capacity at Grangemouth as adequate to meet future needs or whether further refineries were likely to be required.

After referring to the statement on refinery policy made last December by Mr. Eric Varley, the then Secretary of State for Energy, Mr. Smith said the main problem was to change the type of refining capacity so that it could take North Sea oil instead of the crude oil from the Middle East which had been the traditional source of supply.

Energy Secretary, Mr. Anthony Wedgwood Benn, was urged to meet the chairman of the nationalised industries, and to take steps to "regain their confidence."

Mr. Gray claimed during Commons questions: "There confidence is wholly shattered. The revelation on Court Line and Norton Villiers, for example."

Mr. Benn's handling of top-level decisions was now "very much in question," Mr. Gray declared amid Labour protests.

Mr. Benn told him that he met the chairman of the nationalised industries regularly, but a collective meeting was now unlikely before the early autumn.

"I share your view that the relationship between Ministers and the chairman of the nationalised industries is important. But Ministers, however accountable to this House, have concerns they ought to see as safeguarded."

"I have sought to do so, and shall seek to do so in future," Mr. Benn said.

During later exchanges, Mr. Benn was challenged on his recent comments about the gas contracts between ICI and British Gas.

"Shadow" Energy Secretary Mr. Patrick Jenkin said Mr. Benn should apologise for "the misleading information" he had given over the ICI gas contract last week.

Mr. John Smith (Lab., W. Strathclyde) said that the gas contract was a "very important occasion, and one worthy of widespread celebration."

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Mr. Michael Marshall (C., Arundel) claimed later that Mr. Benn was claiming that even in his new job, he said that among the energy conservation measures were the making of long-term contracts such as those of the British Gas Corporation and ICI.

He asked Energy Under-Secretary Mr. Alex Eadie "will you take the opportunity, if Mr. Benn will not, and see an apology goes out to the chairman of the British Gas Corporation for the partial and totally misleading evidence given to the committee on nationalised industries."

Mr. Eadie said the question had been answered previously by Mr. Benn.

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The coming winter could bring very severe weather after four mild winters, and also there could be a substantial increase in the cost of Middle East crude oil.

Mr. Benn: "Any Secretary for Energy could run the risk in the winter of having to look back at an over-optimistic forecast made on a hot summer's day."

"There are risks from weather and other interruptions and dislocation, and we have to look at these with very great care. The contingency plans have been prepared with this in mind."

Replying to Mr. Arthur Palmer (Lab. Bristol NE) Mr. Benn said that as a result of the recession, consumption of electricity was well below what it had been, and could be. But there still remained the hazards of the winter for the electricity supply and other fuel industries.

A total of 120,000 domestic and commercial consumers of electricity in England and Wales had their supplies disconnected because of non-payment of bills in the last financial year, Mr. Benn said.

The number of consumers who had gas supplies cut off for the same reason was 34,000. For electricity the figure represented 0.7 per cent of consumers and for gas 0.36 per cent.

Higher bills

Mr. Benn went on to tell Mr. Teddy Taylor (Con., Cathcart) that he was anxious about the winter, when substantially higher bills would be going out.

"This will be at a time when there will be a number of people unemployed or on short time," Mr. Benn added that he had seen the chairman of the Electricity Council about this matter.

"It is of very great concern that a general desire to bring nationalised industries into balance should not be followed by disconnections of this kind which would create serious hardships to many families."

Tories will scrap the Land Community Bill, Lords told

BY JUSTIN LONG, PARLIAMENTARY CORRESPONDENT

GOVERNMENT ASSURANCES on the intended operation of the Land Community Bill met yesterday with a blunt Opposition pledge in the Lords when the Tories are next in power this month.

The condemnation of the Bill by Front Bench Opposition spokesman Baroness Young in the Lords brushed aside Government undertakings that this radical legislation to bring all development land under community control would be exercised with moderation and with "maximum open local Government" to ensure the observance of all the safeguards.

Environment Under-Secretary, Baroness Birk, underlined the Government's intention to avoid the pitfalls which have alarmed critics of the Bill when peers debated it on Second Reading, although it still has to complete its passage through the Commons.

Peers were being asked to debate a phantom or "pseudo" Community Land Bill, Baroness Young said.

Lady Young said the more one studied the Bill the more one realised that it was a "very important occasion, and one worthy of widespread celebration."

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There were Opposition cheers when she said the Bill represented the clearest difference of philosophy between the Conservative and Labour parties. It was ownership of property that gave people a stake in the community.

"By ownership of property individuals can stand together against the power of the state. Not surprisingly, the first action of a Communist Government is to take away private property and I believe this to be possible under the Bill."

Lady Young warned that despite assurances ownership of land in danger of being lost as a result of the Bill, and that provision of new houses would take much longer and they would be more expensive.

In every part of this Bill it is the individual who suffers, either from fear or uncertainty."

Earlier, Baroness Birk, said ownership and planning were "together like love and marriage: You can't have one without the other."

A main principle of the Bill is that after transfer of power local authorities will be able to acquire development land at current use value.

Lady Birk said that for planning and development to work in the modern context the development value of land had to go to the community.

The increased value that development land attracts should be shared by the people rather than drop into private hands as windfall profit.

Development

The community had the duty to plan and develop the land at the right time and in the right place, and the people's planning needs. This did not mean that the community had to own all land. It stepped in only at the point of development.

"So the great majority of existing owners and occupiers will not be touched by the scheme at all."

The scheme created a new positive duty for authorities to make a development plan.

Mr. Dalyell said that last Thursday night the Commons had debated devolution for seven hours, until 4.15 a.m.

"At precisely this time, and unknown to us, the printing presses of the Daily Record were churning out details of plans alleged to have been developed in the Cabinet Office."

Mr. Dalyell said the plans included schemes for a Scottish Cabinet System, a Scottish Prime Minister, U.S.-style decision-

make land available for development, but it did not mean that they would carry out all development. Land would still be made available for private development.

"There is no truth in the myth that the scheme will lead to a check on the growth of owner-occupation."

New duties

The new duties under the measure should improve the supply of land for private development. She did not believe the scheme would increase the scope for corruption.

The present situation, when at the stroke of a pen a local authority could increase the value of land one hundred-fold, carried far greater risks of corruption than would exist when the grant of planning permission conveyed no value for the owner.

"We are determined that the land scheme should be operated with maximum open local government."

Mr. Birk said that debating the Community Land (No. 2) Bill gave peers a chance to debate the principle. It was identical to the original Bill, still going through the Commons.

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Magna Carta—£1m. guarantee

THE GOVERNMENT has guaranteed to make good loss of up to £1m. to cover the cost of Magna Carta lent by the British Library to America.

In a Commons written reply, Minister of State Foreign Office, Mr. Roy Mannersley said this was in lieu of insurance covering the loan to mark the U.S. bicentenary.

Varley steel statement

INDUSTRY SECRETARY Mr. Eric Varley will make his statement to the Commons on the British Steel Corporation's closure proposals to-morrow, he said in a Commons written reply.

Trade mark fee

AN INCREASE in trade mark fees in excess of 10 per cent, is likely to be necessary within the next 12 months, MPs were told.

LABOUR NEWS

Multiples claim pay plan forbids 13.9% increase

BY LORELIES QLSLAGER

TRADE UNION leaders will be paid to-day that a 13.9 per cent pay rise negotiated for 150,000 employees in grocery retail chains such as Tesco and Fine Fare cannot be paid because the pay increases being implemented within a space of 10 runs counter to the new pay policy.

The employers will tell representatives of the Union of Shop, Distributive and Allied Trades that the agreement cannot be implemented because it would give the store employees two major pay rises within a period of 12 months.

The agreement, which was concluded in June, was to have come into operation yesterday—four days after the new pay policy took effect.

It is said to run counter to the policy because it advances the date of the usual annual settlement from November to August, which would mean two major pay increases being implemented within a space of 10 months. The date was advanced after USDAW asked for an interim pay rise last spring to compensate its members for inflation. The employers re-acted that the agreement could not be implemented because it would give the store employees two major pay rises within a period of 12 months.

The deal would have given shop assistants a 13.9 per cent pay rise across the board, raising minimum weekly rates by £3.45 to £28.25 a week and the maximum by £4.20 to £34.40 a week.

Shop Managers' pay would have gone up by between 8.9 and 19.1 per cent.

USDAW officials would not comment on the Government's ruling yesterday before it has been officially communicated to them. The union had hoped to get the deal accepted because the rises it foresees are well within the 25 ceiling and because the next pay rise would follow only in a year's time.

If it has to abandon the deal now, USDAW can be expected to demand the full £8 rise allowed under the pay policy when it is free to negotiate an annual settlement in November. This would add considerably more to the employers' wage bill than the agreement that has now been ruled illegal.

Scottish & Newcastle Breweries reject £38-a-week wage claim

BY CHRIS BAUR, SCOTTISH CORRESPONDENT

SCOTTISH and Newcastle Breweries yesterday rejected a claim for pay rises averaging more than £38 a week which could seriously embarrass the efforts of senior trade union leaders to win support for the Government's voluntary £5 a week pay limit.

The claim, on behalf of almost half of Scottish and Newcastle's full-time employees, was lodged by divisional officials of the Transport and General Workers Union, whose general secretary, Mr. Jack Jones has led the call for wage and salary settlements to be restrained within the £5 limit.

The company said yesterday that the TWGU's 16-point claim covered 4,300 drivers and production workers both in Scotland and the North of England. The demands were equivalent to an

average of more than £38 a week and would cost more than £5m. An increase of nearly 75 per cent on the present pay bill for the group of workers.

This claim—to replace a wage agreement which expires at the beginning of next month—was rejected. The company has offered to settle with the terms of the Government and TUC guidelines and will resume negotiations on August 15.

Holidays

Among the demands was an increase of £15 a week on the basic rate for transport crews and an across-the-board supplementary payment of approximately £23 for all internal workers.

The union also sought a reduction from 40 to 36 hours in the working week; improve-

ments in holiday arrangements; an increase from £1 to £5 a week in the allowance for holders of heavy goods vehicle licences; and increases in subsistence and shift allowances.

In addition, union negotiators, who are reporting back to branches, wanted early retirement to be treated as redundancy and severance payments made. They also want all drivers to enjoy the same status as the company's 600 craftsmen who settled for a basic wage rise of £8.50 in April.

A national officer of the TGWU at the union's London headquarters, said that the negotiations were being handled entirely at divisional level. No report on the claim had been received and the union therefore was in no position to express an opinion.

Union's very own strike goes on

By Our Labour Staff

A planned meeting between striking officers of the Association of Scientific, Technical and Managerial Staffs and the union's national executive failed to materialise yesterday because of disagreement about the meeting place.

A spokesman for the 100 officers, on strike over the manner of a girl trainee officer's dismissal, said they asked for a "neutral" venue.

But Mr. Clive Jenkins, general secretary, twice rejected the request, added the spokesman, Mr. Don Groves. The meeting was to have taken place at ASTMA's headquarters in Camden Town, North London, but the strikers want the meeting somewhere away from Press attention.

Mr. Groves said last night: "We are available 24 hours a day." There was no comment from Mr. Jenkins's office.

Swan Hunter pay policy strike to continue

BY OUR SOUTH SHIELDS CORRESPONDENT

SOME 5,000 outlying and ciliary workers at the Tyne and the shipyard of Swan Hunter decided yesterday to stay on strike in support of a pay claim which violates the new £5-a-week ceiling. All six Swan Hunter yards on the Tyne are idle because of the strike, which started four weeks ago.

At a mass meeting marking the end of their annual holidays, the outlying and ancillary workers rejected an offer of £3.50 a week now and a further £2 in January which their negotiators had provisionally accepted last week in an effort to beat the new pay policy which came into force on Friday.

The men are demanding £8.30 a week now and £2 in January, in line with rises granted to the company's boilermakers in June. Their annual agreement is not due for renewal for another six months, and both the company ciliary workers at the Tyne and the shipyard of Swan Hunter cannot be met under the new policy—because they are far in excess of the £5 ceiling and because there must be a 12-month delay between major pay settlements.

Mr. George Arnold, Tyne chairman of the Confederation of Shipbuilding and Engineering Workers, said after the meeting: "It appears we have not a faint hope on our hands. We will be fighting the Government as well as the company."

Asked what the next step could be, Mr. Arnold said: "We will probably have to try and improve houses."

Theoretically, bonuses too should count towards the £5 ceiling. About 5,000 craftsmen employed at the yards are idle because of the strike.

TUC proposes more aid for Chileans

BY OUR LABOUR REPORTER

THE TUC international committee yesterday decided to step up its support for Chilean trade unionists. It is to appeal to the International Confederation of Free Trades Unions to organise a trade union delegation to visit the country.

Meanwhile, the Chilean Government has refused to accept a fact-finding mission which the International Transport Workers Federation wanted to send to investigate allegations of repression of Chilean transport workers.

An ITF delegation was turned away when it arrived in Chile last December but the ITF claims that it could return later this year.

Legal profession 'trailing' with 20% rise in salary

BY OUR LABOUR REPORTER

SALARY INCREASES in the legal profession have been running at an average of less than 20 per cent, over the past 12 months and have not matched those awarded to other professional groups—notably banking and insurance.

This is the main finding of a survey published yesterday by Lloyds Executive which analyses the pay and employment trends of 42 firms of solicitors and legal advisers to leading commercial groups.

The survey found that many solicitors are suffering cash flow problems because of inflation and that over 50 per cent of the firms covered had been forced to cut their staffs by an average of 10 per cent.

With pay rises averaging 30 per cent, firms reported a sharp narrowing of differentials, with

Airport men seek MP's intervention

BY OUR LABOUR REPORTER

Shop stewards at Heathrow airport, London, have asked Mr. Neville Sandelson, Labour MP for Hayes and Harlington, to intervene in their dispute with British Airways over the application of the £5 pay limit to long-running negotiations. Mr. Sandelson said yesterday he would take the matter up with the Department of Employment once he had received all the facts from the stewards.

BL letters fail to end strike

BY OUR LABOUR REPORTER

BRITISH LEYLAND failed yesterday to persuade 800 workers at its components subsidiary Alford and Alder to end a seven-week stoppage which has now made 15,000 car workers idle and cost more than £15m. in lost production.

After an abortive meeting with shop stewards on Friday, BL sent letters to the strikers over the week-end telling them that Alford and Alder's Bessie Hemmings factory would be opened for normal working yesterday. But by lunchtime fewer than a dozen workers had defied picket lines and reported for normal work.

BL's letters were gambling on a possible revolt by the men against their shop stewards as a reaction to last Thursday's mass meeting, when the stewards' vote preceded a majority of only seven in favour of continuing the stoppage.

Management urged the stewards on Friday to bring forward a mass meeting planned for this Thursday to-day. But the stewards insisted that there was no reason to change the arrangements.

Originally, the 800 workers

came out on strike in support of a demand for an interim £10-a-week pay rise, but since the publication of the Government's anti-inflation White Paper they have accepted that their current deal should run its course to the end of September.

But stewards are insisting that there can be no return to work unless the company guarantees that at the end of September it will pay the full

£5 rises allowed under the new policy. BL has refused to give this undertaking, claiming that it would pre-empt normal negotiations.

Meanwhile the stoppage is beginning to affect more BL workers. Lay-offs rose from 11,000 to 15,000 yesterday with production of BL's new 1872 range at Cowley being hit as well as Triumph and Jaguar output at Coventry and Liverpool.

Miners' safety plea

BY OUR LABOUR REPORTER

YORKSHIRE miners' leaders yesterday called for an urgent meeting with the Coal Board to discuss an alleged upsurge in pit deaths this year.

Mr. Arthur Scargill, National Union of Mineworkers Yorkshire area president, said that, on average since January 1, one miner had been killed in the coalfields every nine working days, giving a total of 18 so far. This was a 120 per cent increase over the previous year.

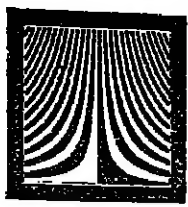
Mr. Scargill, speaking after a meeting of the Yorkshire miners' executive committee in Barnsley, said an appeal had been sent

New chief for MATSA

BY OUR LABOUR STAFF

THE GENERAL and Municipal Workers' Union has appointed a new national officer to look after its white collar section, MATSA.

Mr. Maurice Reed, 39, who has been a full-time union official since 1965, succeeds Mr. Bert Staples who is retiring because he has reached pensionable age.



The Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

ENERGY

Finding where the power goes

RUBBER and Plastics Research Association (RAPRA) is taking part in the national investigation into the efficient use and conservation of energy by industry. It has instigated a system to study both complete factories and individual processes which is designed to determine the effectiveness of energy usage within the rubber and plastics industries.

The need for conservation and optimisation of the use of energy has become essential as a result of the enormous increase in the costs of fossil fuels such as oil and coal. Vast quantities of energy are consumed in the developed industrial countries and the figures for the U.K. for 1972 when total consumption was over 3,000 million GigaJoules illustrate the point.

The cost of producing and distributing electricity in terms

of energy is nearly a quarter of this and significantly larger than either transport (30 per cent.), or commerce and agriculture (85 per cent.). Thus electricity usage must form an important part of any energy studies.

In the industrial sector NEDO have used the "Input-output tables" from the Stationary Office "Studies of official statistics No. 22" of 1973 to derive a list of the most energy intensive industries out of the 85 listed. These are divided into medium- and low-energy cost groups containing 25, 30 and 30 industries respectively.

In the high energy cost group plastics and rubber synthetic raw materials are ninth, plastics printing 22nd and rubber goods 25th and therefore rubber and plastics must be given study priority.

These facts have provided the impetus for RAPRA's study which involves a preliminary questionnaire to establish the need for an on-site investigation, followed by co-operation with the company concerned to set up the appropriate equipment. Energy use measurements related to the throughput of the plant or process will then be made to enable a picture of the energy balance to be determined which will highlight those areas having a high energy intensiveness and indicate possible points for energy conservation and cost reduction. By repeating such investigations at intervals, the change in efficiency due to machine wear or other process changes can be followed.

Further details of this service from: Mr. A. E. Eagles, RAPRA, Shawbury, Shrewsbury SY4 4NR, Shrewsbury 383.

SAFETY

Revealing chlorine

AN ELECTRICAL detection method is used in a compact chlorine gas detector from Portacel, avoiding the need for regular replacement of chemical reagents.

Control units of the Series 63 detect measures only 440 x 215 x 200 mm. and it is able to monitor the atmosphere at two separate locations using remotely mounted sensors giving easily seen indications at the control unit.

The system's sensors work on the principle of changed ionisation conditions due to the presence of minute traces of halogen between two electrodes. Two levels of gas alarm, one to two parts per million and three to four ppm, are incorporated and a fail-safe feature are included in the design.

Basic price of the system is £500; it is economical in use, there is nothing to replace and installation costs are small.

Applications are likely in the chemical, textile, paper-making and food manufacturing industries, particularly with the possible tightening of regulations about the use of chlorine in factories.

ELECTRONICS

Continuity tester

ACT 1 was designed specifically to perform both continuity and anti-continuity tests at the rate of 20,000 tests per second. The ability to detect high impedance short circuits of up to 50 K ohms makes it suitable to check out back-planes, mother boards, multi-layer boards, cables and wirewrap boards.

The basic unit consists of a tape reader, a control panel and error display and is capable of testing 1,250 points. This is easily expandable at any time to 10,000 points in increments of 128 points.

Ruggedly built and completely mobile, a self-testing feature in standard while self-programming and high voltage features are optional.

Paper tape input is unique to the unit, a feature which includes test point, error point, signal number, manual or automatic search.

David (Electronics), 54 Cardigan Street, Luton LU1 1RR (0582 411945).



Final stages in the manufacture of a large Karbate heat exchanger at British Alchison Electrodes in Sheffield. This unit, the largest of its type to be built in Europe, measures 8.25 metres (27') in length, 1.5 metres (5') in diameter and embodies almost two miles of 38 mm (1 1/2") bore, 50 mm (2") o/d

graphite tubing. The heat exchanger has been manufactured for Albright and Wilson's new plant at Whitehaven, where it will be used to concentrate phosphoric acid. Graphite was chosen as the construction material because of its ability to resist corrosion attack from phosphoric acid and its extremely good heat conductivity.

PROCESSING

Economical sealing

ADHESIVE systems produced by Adra of Basildon, Essex are now being used on case sealers and carton machines by Procter and Gamble, the soap and detergent manufacturer at its West Thurrock factory in Essex.

In addition to being economical, the Adra system is totally enclosed and extremely clean.

According to Adra the units can be tailored to meet any specific machine and/or case requirement. Thus only a minimum amount of sealing is made for the handling required in subsequent distribution. For example, on a standard case it is sufficient to apply only two bands of adhesive 12mm wide and 75mm long, applied at the flap ends.

With a guaranteed yield of over 1,000 metres of 12mm wide line per Kg of adhesive case sealing can be accurately compared with other systems. Even against cold glue jetting systems also using a PVA, in many instances 20 per cent. adhesive savings have been found, and much greater savings have been found with open glue bath conversions to the Adra method. Furthermore on jetting systems using extrusion adhesives the economies have been such

that lower sealing costs have been proved using the more expensive (per kilo) PVA adhesive.

The Adra system is clean because adhesive is applied only when the head is in contact with the case flap. No cleaning out of the system is required after shifts or over week-end and any maintenance is simple and fast. There are no diaphragms to leak in the system. Reliability is ensured because the valves are non-blocking and separate from the control system.

Adra, Basildon, Basildon, Essex SS16 3BU, Basildon 3351.

Keeps steel

scrap from doing harm

OIL PIPELINES are regularly cleaned with pigs—round brush-type scrapers which are driven through the line by the pressure of the oil.

As these pigs move through the line, cleaning the inside of the pipe of sediment, mill scale, corrosive particles, welding beads and shot left over from shot-blasting operations, their tiny steel bristles often break off.

Although these bits of bristles

are so small and few in number that they present little danger to pumps and impellers, they still can easily foul the highly sensitive control devices that adjust pressure to maintain flow rates.

Tubing magnets, by Eriez, installed on the suction side of the pumps, catch and retain these tiny bristles, despite the high flow rates in the pipe.

The magnets consist of non-magnetic stainless steel tubes fitted around a series of circular ring supports which can be slid into position inside the pipeline; a powerful permanent magnet is housed in each of these tubes, providing the most effective method of protecting the control instruments.

Magnets of this type are available in a variety of sizes, and design details are available from Eriez Magnetics-U.K., Wilson Industrial Estate, Caerphilly, Mid-Glamorgan CF8 3ED, Wales. Caerphilly (0532) 568501.

Quick-loads and retains the heat

ROTARY OVENS introduced by Hednair are intended for use on continuous production work involving loading and unloading at frequent regular intervals. They eliminate the excessive heat losses and fatigue associated with frequent opening of conventional box oven doors.

Rotary ovens require only one operator, little floor space and two loading trays. They can be used for most types of drying, baking and roasting, but are especially suitable for pre-heating components in plastic coating and heat-shrinking.

The oven consists of a circular hearth inside an insulated chamber which is heated by forced air circulation. The hearth is indexed round by timer or push button. Shelves, hooks or jigs are fitted on the hearth to suit the load. An air curtain seals the loading aperture but allows continuous access. Hearth sizes are from 30 to 72 inches and heating, by electricity or gas, is up to 450 deg. C. The company is at 2, Whalebone Lane South, Dagenham, Essex (01-593 7221).

Known as Astrot (T.K.), Caerphilly House, London EC4Y 4TA (01-583 3520).

POLLUTION

Keeps the dust down

DUST COLLECTION units that are entirely self-contained and can be readily switched from one work location to another are offered by Newman Industrial Sales, Upper Mills Industrial Estate, Stonehouse, Glos. (04532 3771).

Called "Filterdust," the units use flexible ducting so that they can be floor-mounted, slung from a ceiling, fixed to a wall or mounted on casters. One unit can serve more than one work station by fitting multi-manifold ducting.

Sufficient air velocity prevents settling in the ducting, and its reduction on entering the unit allows heavier particles to fall into the hopper. Cylindrical filter bags then remove the dust and clean air passes out through a top-mounted centrifugal fan.

Each electrode may weigh 12 tons, but may have to be replaced several times before the ingot is complete. The ingot itself, up to 16 tons weight in a new range of plants offered by Leybold Heraeus, can have a diameter of 1,000, 1,300, 1,700 or 2,300 mm, and a maximum length of 5,200 mm. It can be drawn vertically, in a manner reminiscent of semiconductor crystal-pulling, or the carrier can be lowered to give effectively the same result.

Controlled solidification achieved in this way produces a uniform ingot structure with fewer defects such as ingot segregation, porosity, non-metallic inclusions, and shrinkage pitting at the top of the ingot.

Up to four 12-ton electrodes can be used simultaneously in the Leybold plant, with arrangements for replacing electrodes while melting is in progress.

Remelting by immersion in the high temperature slag increases the rate of exchange reactions, such as desulphurisation, with the slag.

Controlled metallurgy and controlled solidification give a high-grade steel with a much smaller possibility of faults that would lead to rejection. Because the chemical composition can be controlled and reproduced in tight limits, the ingot surface is improved, and the density, ductility, homogeneity and purity of the metal is better than has been possible with cast ingots.

This improvement in turn leads to many fewer ingot rejects, and the capability of remelting satisfactory raw ingots of 33 per cent less final weight.

Leybold Heraeus, 373 Greenwich High Road, London SE10 8JA (01-868 1127).

DATA PROCESSING

Visual unit for word processor

A CATHODE ray tube display unit has been added to the word processing system made by Wang Electronics as an optional extra. The company claims that the unit provides a system with the advantages of purely screen-based systems but at about half their cost.

Existing users of Wang's 1222 typewriter-based word processing equipment can add the VDU facility for £1,275, and the original system will continue to be sold at £5,000.

Main advantages of the screen are speed, productivity and convenience for the typist, and there are many areas of application.

For example, a tender document, which has to be finally perfect, can be typed at speed and the inevitable errors corrected, or wording changed on reflection by the executive, simply by recalling the text from tape.

Any line can be brought up on the screen by keying its first two characters. A cursor can be moved to the words to be corrected, new words can be keyed in, and all is recorded back on

the tape. The final version is then played back on to paper.

Recall to and correction on the screen is faster than using the typewriter alone and productivity is improved.

The compact nine-inch screen unit displays 100 characters on two lines. The operator is shown exactly what is being typed line by line and since each word, line, correction or control code is visible the operator learns system procedures quickly and simply.

Five second car finder

BMW HAS installed a Sanders display terminal system which enables it to locate cars throughout the United Kingdom, often within five seconds.

With the new system, if a customer walks into any dealer wanting, for instance, a red coupe with black trim, tinted glass, sunshade roof and heated windows, the location of such a car may be established within seconds.

Comprising an S170 interactive terminal with three displays and a 165 cps printer, the Sanders system has been installed at BMW's head office in Breatford, West London. Controlled by a new teleprocessing software

package, Shadow II written by Altergo (Software), the terminal is linked in real-time to an IBM 370 central computer in Dover.

As each new car leaves the Munich factory and proceeds through BMW's depots in Calais and Dover to any one of 180 U.K. dealers, full descriptive and location details are fed into the central computer and regularly updated.

Any dealer wishing to locate a specific car merely phones the representatives to head office which, using the Sanders terminal, can locate all the cars answering the description by accessing the central file in Dover, the required details being called to the display within five seconds. The operator may then use the terminal to generate the necessary paperwork to transfer or re-route the appropriate vehicle.

BMW may also use the system to access service and ownership details on cars already sold, to display daily dealer stock and order information. Using the 165 cps printer, monthly hard-copy management reports may be produced concerning all aspects of car movements and sales.

BMW is now considering possible ways to enhance further the system by installing interlinked Sanders interactive terminals at Dover.

BMW House, 991, Great West Road, Brentford, Middlesex. TW8 9ED. (01-868 9155.)

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40 Martin Place Sydney, 2000 (Telex 25328)
Astonbury, W. P. J., Newburg
in order that meetings may be arranged.

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The Executive's World

EDITED BY JAMES ENSOR

Peter Foster describes the problems of Arthur Hawkins in running Britain's biggest business, in capital terms

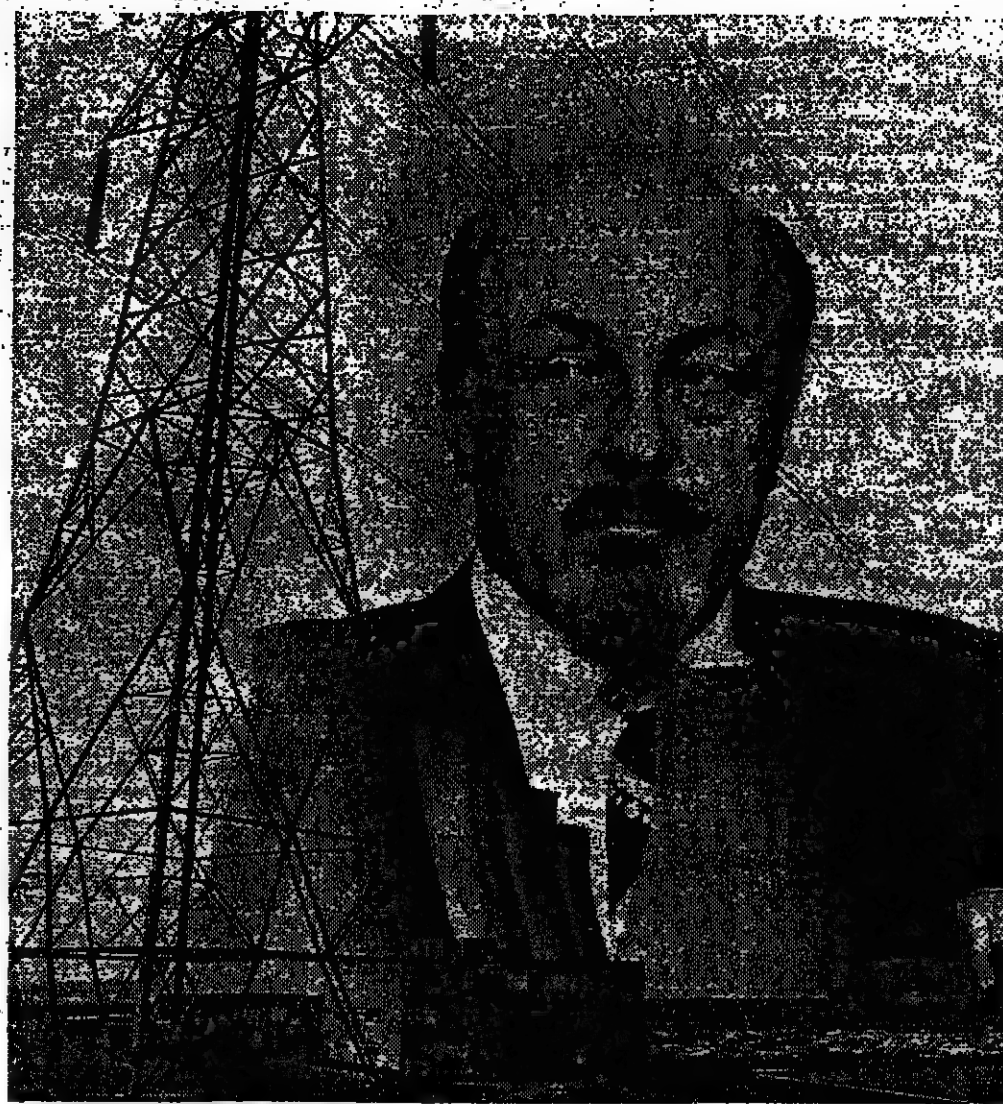
The most vulnerable of the nationalised industries

WITH CUMULATIVE increases of 87 per cent in domestic and 48 per cent in industrial tariffs since March 1974, the electricity industry would seem to have set about implementing the Chancellor's directives to "realistic" pricing with a vengeance. And yet its loss of £257.6m. for its last financial year comes as one of the worst results among a particularly uninspiring bunch of nationalised industry figures, with only British Rail and the Post Office producing bigger deficits.

Nevertheless, the fundamental nature of the electricity industry has made it the most vulnerable of all nationalised industries to the U.K. prevailing climate of economic uncertainty. Its power station ordering programme depends on demand projections for seven or eight years in advance, so, at a time when demand estimates made just a year or 18 months ago are proving wildly optimistic and there is even a 7 per cent. difference between the estimates made by the Electricity Council and the Central Electricity Generating Board for maximum demand this coming winter, it is perhaps not surprising that uncertainty reigns and the CEBG has found itself with excess generating capacity on its hands.

Demand

On the basis of the Electricity Council's most recent estimate, demand for 1981-82 is expected to be around 54,000 MW, a 7,700 MW drop on projections made only last year. This has inevitably led to an axing of the CEBG's capital investment programme and the recent announcement by the board that there would be no need to order coal or oil fired power plant before 1978, which meant the scrapping of this year's planned orders for two large oil-fired stations at Killisnoe, Lincolnshire and Inverness Point in Cornwall. Although last year saw a recovery in demand from the industry's three largest industrial consumers (steel, chemicals and engineering) the



Mr. Arthur Hawkins was forced to cancel orders for two large oil-fired power stations.

CEBG is estimating that its 1973-74's \$700m. to \$1,300m. It is likely to reach \$1,500m. in the current financial year. The National Coal Board's three increases since April 1974—total 130 per cent—mean that the CEBG's coal bill will have risen by \$550m. in a full year. With two-thirds of the CEBG's capacity still coal fired, the price implications have been all too obvious.

Despite the Government's commitment to economic pricing, a commitment which the Chancellor reassured with

Since 1970 price restraint had been applied with growing discriminatory rigour to the nationalised industries—which meant that the price re-adjustments of the last year became all the more painful. Although the compensation provided under the Statutory Corporations (Financial Provisions) Act 1974 has served to shift the financial burden of unrecovered costs away from future users, it has left the industry with lapsed targets and the necessity for much greater subsequent increases merely to keep pace with rising costs. Meanwhile the clamour for more realistic depreciation provisions under the various methods of inflation accounting now being studied by the Government would imply further increases for the consumer in order to keep up with adjusted financial objectives.

No sooner had Mr. Healey announced his worthy economic aims last year than the Government started to draw away from the political implications of the policy. The social impact of energy price increases became an object of clear concern and Government representations to the industries concerned led to a weighting of tariffs in favour of the smaller consumer.

This is a policy which is opposed by both the Department of Energy and the supply industries in November, the necessary increases have proved far from politically acceptable. ment in his March, 1974 Budget, continued interference, on political grounds, with the industry's attempts to achieve realistic pricing policies. Within months of Mr. Healey's statement in his March, 1974 Budget,

Pricing

Within the overall question of price inflation, the issue of differential pricing has not been neglected. Indeed, the enormous price increases of the last year or so have meant that the importance of users paying the marginal costs of the energy they use has been increased.

At the beginning of this year the CEBG announced a new form of bulk supply tariff—which determines how much electricity Boards pay for the wholesale supplies which they buy from the generating Board—featuring: more punitive rates for peak consumption, when uneconomic plant has to be brought on stream to meet marginal demand; lower prices for a "block" of off-peak units, and a much higher base price for fuel. The adjustment of the base fuel price was the most obvious move, since, if the CEBG had not increased it from its old level of 425p per tonne

to 1,430p, half of the Board's financial assistance from the revenue in the current financial year would have been derived from FCA. However, the "price message" was contained in the differential rates, which served to punish peak consumption and even, off-peak consumption above a certain level.

Among the many problems being faced by the industry, that of projecting the relative costs of primary fuels is proving to be one of the most thorny. In a way the sharp reduction in demand estimates serve to lessen the problem since, if no new capacity has to be planned then no choice has to be made as to whether it should be oil or coal burning. The industry has, not surprisingly, been increasingly sensitive about the flexibility of its fossil fuel burning capacity over the last few years following both oil and coal supply disruptions. "Warnings"—most specifically about the implications of further large increases in miners' wages—have come more than once this year both from Mr. Arthur Hawkins, head of the CEBG, and Sir Derek Ezra, chairman of the Coal Board.

But although the CEBG's estimated fuel consumption this year is expected to fall by around 6 per cent, the entire cut will be borne by oil. The Board in fact intends to increase its coal burn to 66.9m. tonnes, compared with 64.8m. tonnes in 1974-75.

Coal stocks are currently 18.4m. tonnes, which is some 4m. tonnes above the requirement under EEC regulations for 50 days' supply but the NCB is pressing the CEBG to raise this to 18-20m. tonnes. Since this would involve tying up around £8m. in additional stocks, the generating Board is understandably negotiating hard for Benn.

Nuclear

Although it is still planned to give the first of the new generation of Steam Generating Heavy Water Reactors the go-ahead next year, the capital costs of a major nuclear programme, given the lowered demand projections for electricity, could prove prohibitive, whatever the longer term arguments either in terms of efficiency or security.

The long anticipated national energy policy—which Mr. Wedgwood Benn's new role as sponsoring minister, given his track record, might bring closer—could in fact lead to even stronger ties between the coal board and the CEBG. However, given the enormous discrepancies in projections over the last 10 years the difficulties of lumping not just one but all the energy industries together under some form of planning umbrella looks something more than formidable, even for Mr.

BUSINESS LAW

What's good for Canada

THE CANADIAN Foreign Investment Review Act, passed last year caused concern particularly across the 49th Parallel. Still, the Foreign Investment Review Agency recently had to remind prospective investors, demanding assistance, that its job is not to help the investor but to see that foreign investments benefit Canada.

But judging from the information released by the Agency on 36 cases which it decided in the past three months it does not wield its powers too harshly. Indeed, it may sometimes help investors by making them more welcome and better integrated.

Any foreign investor proposing to take over an existing sizeable Canadian business enterprise, or to establish a business unrelated to his existing Canadian operation is required to register with the Agency. Though some general guidelines were issued before

the Act became operative, the real impact can best be gauged from its decisions. Of the 36 reported proposals six were definitely rejected. The rest were approved, though in some cases only after the investors agreed to modify their projects so as to increase the benefits for Canada.

There are 10 tests which the Agency applies to proposals, of which one, compatibility with Canadian economic policies, was passed by all of the 30 approved projects. The test of increased employment was passed by 26, and that of new investment by 24. Improved productivity and industrial efficiency was successfully claimed for 23 projects and increased use of Canadian resources, parts or services by 18. Canadian participation featured in half of the approved projects, while 13 projects were found to improve product variety and nine to enhance technological merit. Only two

of the 30 approved projects promised additional exports.

Only two proposals, that by Marks and Spencer and the other by GWS-Krupp Industries made the full 10 points. One, submitted by Easton Holdings, was approved though it had no further merits beyond being compatible with Canadian economic policy. Most proposals passed five to seven tests.

Top marks

One can be hardly surprised that the Marks and Spencer's proposal to acquire Peoples Department Stores obtained the top marks. It undertook to open at least 25 new stores within the next five years and to ensure a high Canadian content in them. It promised to encourage the development of new yarns and fabrics by Canadian manufacturers and to promote exports of "St. Michael" products from Canada. It will set up a research group in Canada and give preference to Canadians at all levels of employment. The majority of the Boards of directors of Peoples and its subsidiaries will be resident Canadians.

The other, Friedrich Krupp of Germany, has also promised much more than merely spending \$1.75m. within three years of acquiring a 50 per cent share in the Edmonton Structural Steel plant from the Great West Steel Industries. The capacity of the plant should be doubled by 1978 and it will get from Krupp an exclusive licence to market mining and material handling equipment in Alberta, British Columbia and Saskatchewan and a non-exclusive licence for the rest of Canada.

The runner-up, with nine out of 10 possible merit points, started badly. The first proposal by Bestipe (controlled by Rocla Industries of Australia) had been rejected on February 6, 1975. They only made the grade by additional undertakings which include the installing of plant for making of pre-stressed concrete pressure pipes at the plant of Vibrapipe Concrete Products whom they proposed to take over. They will also make their Rocla cage welding machines, concrete railway ties, establish a research and development department and increase employment by 30 per cent. Their five year investment programme will cost about \$4.5m. and within three years 20 per cent of Bestipe's voting shares will be made available to Canadians.

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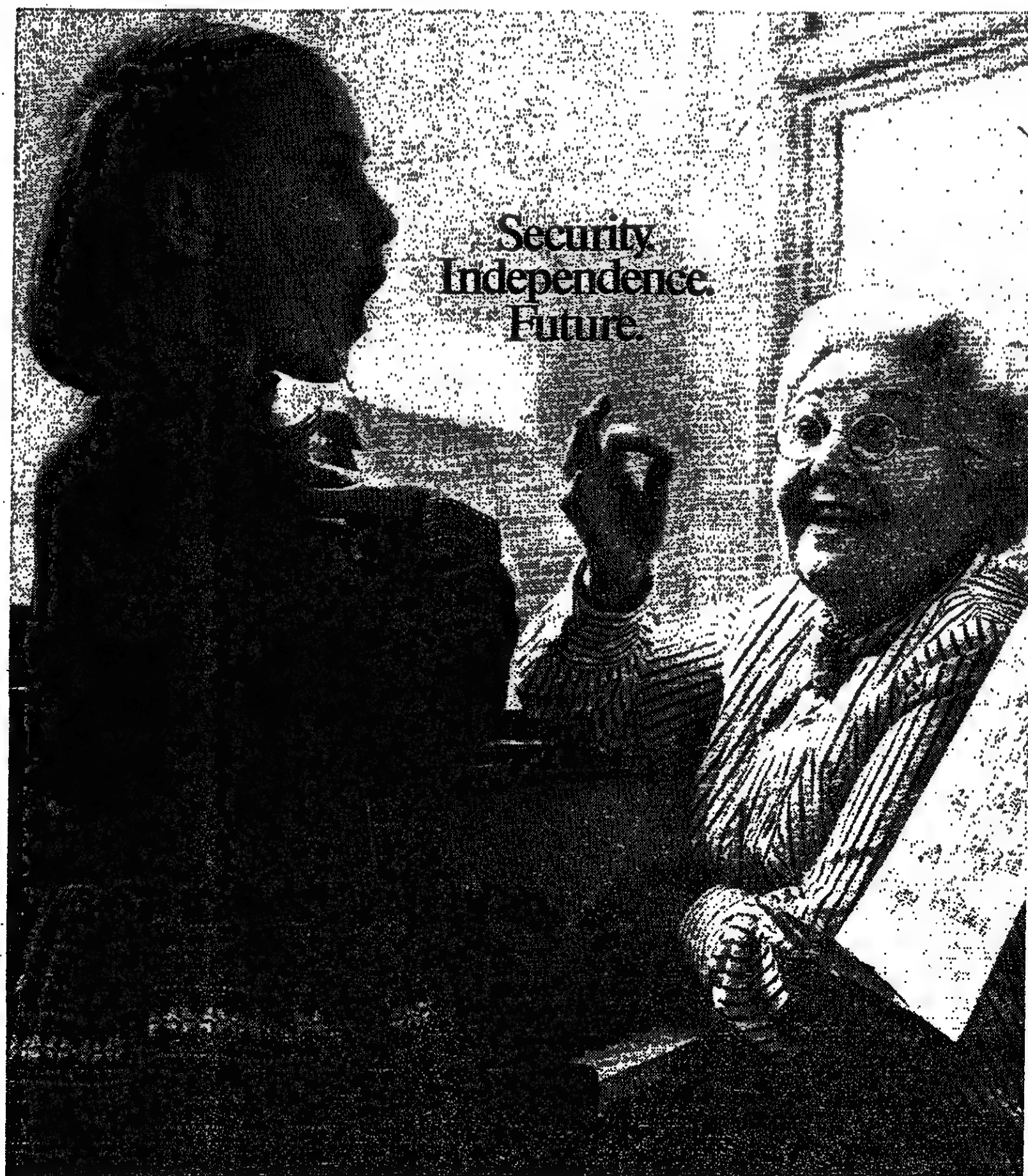
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TUESDAY, AUGUST 5, 1975

Exchange rate dilemma

THE PERFORMANCE of the pound in the foreign exchange markets yesterday provides a good illustration of the dilemma which the monetary authorities are at present facing. Last week closed with the immediate outlook for interest rates apparently much more settled. There were no further increases in prime lending rates announced by U.S. banks on Friday and a slight fall in our own Treasury bill rate left the Bank of England's minimum lending rate unaltered after its sharp rise of the week before. Moreover, the new long-dated tap stock announced on Friday afternoon was pitched on terms which confirmed the stronger tendency of the gilt-edged market after its recent upheaval.

The longer end of the market was firm again yesterday, and the official statement of the reserve position at end-July showed that, after allowance for borrowing by public sector institutions under the exchange cover scheme, there had been almost no net change in the size of the foreign exchange reserve during the month. The decision to raise minimum lending rate sharply towards the end of the month, therefore, does not seem to have been due to any large or sudden withdrawal of overseas funds from London.

Yet sterling continued to drift slowly down yesterday, it drifted down, to be more precise, not against other currencies in general but against the U.S. dollar, which has itself for some time past been growing stronger against other currencies in general, including sterling.

Dollar strength

The reasons for this improvement in the standing of the U.S. dollar are not far to seek: there has been an all-round though gradual improvement in the economic situation. First, and contrary to earlier expectation, there has been a dramatic improvement in the U.S. foreign trade balance—due largely to the destocking of imported goods in general and lower imports of petroleum in particular—which is at present in quite substantial surplus. Second, the signs that the recession has touched bottom and that a slow recovery has begun are now becoming more numerous. The latest indicators of this is a marked decline in

the unemployment figures for July, confirming what is probably a more significant rise in actual employment during the second quarter.

Third, there is the recent rise in U.S. interest rates, which has immediate repercussions in international financial markets but about which there are widely opposed views. The more pessimistic view is that the Federal Reserve, determined to prevent a renewed outbreak of inflation, will allow the money supply to tighten and interest rates to rise as the economy picks up and private borrowing demand is added to that of the public sector. The more optimistic is that the Fed is pursuing a long-term policy on the permitted growth of the money supply and that recent rises in short-term interest rates reflect a temporary reaction to a temporary situation, which should soon be reversed. Fourth, the general tone of the exchange markets may well have been affected by the announcement of a financial summit to be held in September to plan, under U.S. leadership, a concerted international attack on recession and unemployment.

Hot dilemma

The dilemma for the U.K. monetary authorities is that they would like to see the sterling exchange rate against other currencies in general reflect the relative rate of inflation in this country and the consequent loss of export competitiveness; on the other hand, they do not wish to see the pound depreciate too much against the U.S. dollar for fear that this might cause a transfer of short-term balances, especially those held by the oil-producing states, from London to New York. While the U.S. dollar continues to forge ahead against other currencies in general, however, these two aims are incompatible—hence the sharp rise in minimum lending rate ten days ago. While any internationally-accepted plan to stem the growth of unemployment would probably not only be of special help to the U.K. economy but also ease the pressure on short-term interest rates, the presence of these volatile funds may continue to create difficulties for domestic economic policy, and some means of funding them may eventually have to be considered.

Mrs. Gandhi and the rule of law

MRS INDIRA GANDHI yesterday introduced a series of constitutional amendments to nullify the remaining opposition to her staying in power as Prime Minister of India and to complete her stranglehold of what she still calls a democracy. There seems to be no way in which Mrs Gandhi will fail to be absolved of her High Court convictions for corrupt election practices. She has huge majorities in both houses of the Indian Parliament, which have become even greater with the walkout of the entire opposition that is not behind bars. The move, and particularly the method of passing retroactive legislation, seems to give the lie to the Prime Minister's claims that she is not interested in power for her personal ends, but it was nicely timed.

Irrelevant

Some MPs of her ruling Congress Party have been unhappy with the way Mrs. Gandhi was playing with the law to suit her own ends: so were the larger number of Indians. But they kept silent when the emergency was declared and arrested because they said: "Let us see what happens when the Supreme Court has passed its verdict; perhaps things will be different then." But when the legislation has gone through the Supreme Court judgment will be irrelevant.

In the meantime Mrs. Gandhi has used the time to close all the ordinary methods of protest. It is something that Mrs. Gandhi may come to rue, as she has forced opponents to seek extraconstitutional remedies for bringing her down.

the offences were really trivial and will absolve their Prime Minister. And many honourable Indians will tell themselves that the alternative to Mrs. Gandhi would be chaos and that in any case democracy as practised in India was clearly not working.

Powers

Two points can be made about the democracy that Mrs. Gandhi has adjusted so that she can stay in power. The first is that she has been careful to use to the full the constitutional powers given to her in case of emergency, though she has also acted with total disregard for the spirit of the constitution. The emergency was declared and later ratified in strict accord with the constitution. The second is that she has left no apparent democratic way in which she can be struck down. It seems doubtful whether India will in the foreseeable future see anything like the free elections that it has known in the past.

Mrs. Gandhi's supporters have said that things will now be completely different and that the Prime Minister will be free to fulfil her election promises and start to abolish poverty. It would be nice to think so. But it is essentially the same corrupt and inefficient system with which she is operating.

Moreover, Mrs. Gandhi's methods, the more than 50,000 arrests, the silencing of the Press, the fear instilled into anyone who dares to criticise, have imposed a terrible price. It is something that Mrs. Gandhi may come to rue, as she has forced opponents to seek extraconstitutional remedies for bringing her down.

U.K. companies have been cutting back their farm machinery operations. Kenneth Gooding reports

North America's rich harvest down on the farm



A Ransomes Sims and Jefferies machine at work on the barley harvest in Hampshire; now Ransomes has ceased harvester production, and 75 per cent of the U.K. market is met by imports.

TRADE IN FARM MACHINERY (£m.)

	JANUARY-JUNE, 1975	JANUARY-JUNE, 1974
Imports	12.6	9.6
Exports	143.4	99.9
Balance	+130.8	+90.3
Other equipment	42.9	34.4
Of which harvesting, threshing & sorting machinery	32.6	28.7
Balance	+11.5	+6.6

Although the overall trade balance in farm machinery has improved this year, it is still overwhelmingly dependent on tractors, a sector where all the U.K. producers apart from British Leyland are subsidiaries of North American concerns—Massey-Ferguson, Ford, International Harvester and David Brown (Tramcor). The main source of imports of harvesting, threshing and sorting machinery is the remainder of the EEC—and West Germany, Belgium and France in particular.

Just not prepared

Its parent, Thos. W. Ward, admitted that losses of more than £2m. (before tax relief) had been sustained during the past three financial years and that the business had never generated the funds necessary for the modernisation of facilities and for investment in new products. Ward was, it seems, just not prepared to put in the large amount of capital, and then to make the product changes, needed to revolutionise Marshall-Fowler's operations.

Ransomes could actually put a figure on the investment it needed to build up its combine harvester business to the kind of scale necessary to match with its main competitors. In 1968 it had asked for £500,000 from the Government for the long-term expansion of this part of its operations. Mr. Geoffrey Bone, the managing director, recalled: "We could not ourselves in 1968 risk a £500,000 investment in addition to other commitments and for that reason we asked the Government for help. It was then foreseen that, if that help was not forthcoming, Ransomes would in due course have to cease combine harvester production."

The then Minister of Technology, Mr. Anthony Wedgwood Benn, decided against direct investment in the Ransomes'

project and offered a loan farm machinery—tractors, combine harvesters and balers are the most important. These groups are interested only in those things for which there is a really big international demand and from which they can get the economies which go with manufacturing in large quantities. And then there are the "short line" manufacturers, specialising in products which do not need really big volume production.

The crunch had come for both Marshall-Fowler and Ransomes because the U.K. market had at last reached saturation point. Future growth depended mainly on exports.

Here, Marshall-Fowler was up against the big North American manufacturers, while Ransomes had to expand its range of service to match those provided by CLAAS, of West Germany, and New Holland, the British offshoot of the U.S. power tractor, the size of tractor concern, Sperry Rand. So both which holds a major portion of the U.S. market.

Thos. Ward, Marshall-Fowler's parent, and Ransomes decided they would rather concentrate their efforts on other parts of their businesses. These examples illustrate machinery totalled £418.4m., of which only 21 per cent, or £88.2m., was accounted for by non-tractor business. Britain exports of farm machinery totalled £418.4m., of which only 21 per cent, or £88.2m., was accounted for by non-tractor business. Britain exports of farm machinery totalled £418.4m., of which only 21 per cent, or £88.2m., was accounted for by non-tractor business.

Manufacturing facilities

Where the U.K. has been fortunate is that the North American companies have set up manufacturing facilities here to service their international business. In addition they concentrated to a great extent on the production of 40 to 80-horsepower tractors, the size of tractor which holds a major portion of the U.S. market. What they feel they need to provide employment for their own people and to cut down import bill.

Farm machinery is well up the list of priorities. With one quarter of the world's population suffering from malnutrition, boosting food production remains one of the more pressing international problems.

The third world, however, has been having problems finding the finance for the equipment

it requires, though this has eased to some extent because of the enormous cash resources of the oil producing countries are being directed towards helping the third world. But, basically, those countries wanting to set up farm machinery manufacturing operations have, naturally, been turning to the North American companies for help. After all, three of them—Massey-Ferguson, Ford and International Harvester—between them build half the tractors sold in Europe. The only way for the world to be industrialised countries to get into the action quickly is via co-operation agreements.

These are becoming more and more common. Poland, Turkey and India have featured prominently in this movement, with the outstanding recent example the £150m. arrangement between Massey-Ferguson and Poland. Basically the agreement is between the U.K. end of Massey-Ferguson and the Polish tractor business in Poland. In association with Guest Keen and Nettlefolds, CAV and other U.K. companies, Massey-Ferguson-Perkins will help reconstruct and modernise the Polish tractor and diesel engine industries. The Polish Government called in the Canadians because, although Poland's tractor output has been reaching 50,000 a year, mainly made with Czechoslovak know-how and sold to Polish peasant farmers, the industry was started up in the late 1950s and is dogged by obsolete technology.

There is, fortunately, not much danger of this happening in the foreseeable future. Apart from the tremendous capital investment the North Americans have here—which they are continuing to build on—they also find the U.K. a convenient centre for world trade because of its sophisticated City-financial and shipping networks. Thus, instead of a direct cut in operations in the U.K., what is more likely to happen is that British-made tractors will gradually lose their share of the world market simply because new production capacity will be introduced to countries outside the U.K.

This will have less to do with the problems the North American concerns have had in Britain—although Massey-Ferguson, in particular, has suffered substantially from industrial disputes, both inside and outside its own operations in recent years—than the desire of developing countries to have their own engineering manufacturing resources. They feel they need to provide employment for their own people and to cut down import bill.

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Long-term affair

In any case, the growth of new tractor and farm machinery manufacturing businesses is a long-term affair. And while the North Americans have so much at stake in the agreement is between the U.K. end of Massey-Ferguson and the Polish tractor business in Poland. In association with Guest Keen and Nettlefolds, CAV and other U.K. companies, Massey-Ferguson-Perkins will help reconstruct and modernise the Polish tractor and diesel engine industries. The Polish Government called in the Canadians because, although Poland's tractor output has been reaching 50,000 a year, mainly made with Czechoslovak know-how and sold to Polish peasant farmers, the industry was started up in the late 1950s and is dogged by obsolete technology.

They would certainly have had to think much more seriously about the U.K. if it had dropped out of the Common Market, however. For Continental Europe, in comparison with the U.K., is far from being "saturated" with farm machinery.

This does offer a real prospect for good growth because Europe still has hundreds of very small local manufacturers of the kind which faded out as the U.K. industry rationalised. (Even so, there are still more than 210 members in the Agricultural Engineering Association.) If U.K. companies are to make the most of the opportunities offered in the Common Market, they must, however, be prepared to make a very big investment in time and money.

The disappointing aspect to all this, though, is that there is hardly a handful of wholly British companies with the financial muscle at least to attempt to take advantage of the opportunities in the rest of the Common Market. After Ransomes Sims and Jefferies and Howard Machinery the list rapidly runs out. Even in ploughs, where Ransomes is clearly the market leader with over 30 per cent. of all sales, less than half the units sold in the U.K. are home produced.

But the fact remains that whether or not Britain's farm machinery industry remains one of its most-successful exporters depends mainly on the North Americans, and particularly on their tractor manufacturing businesses. Any move by them to shift manufacture away from the U.K. would be a tremendous blow. And their influence is growing greater rather than diminishing, as the closure of consortium of English and Scottish banks providing the finance of Marshall-Fowler clearly shows.

MEN AND MATTERS

Brilliant

There is a National Westminster Bank customer in Reading who comes close to the "little old lady on fixed income" stereotype. She has a few thousand pounds of family money administered by the trustee department. It sends her computer print-outs of estimated income for the year.

But against three of the items in the portfolio, representing about 40 per cent. of the income, the estimate on the print-out reads zero. So the total estimated income figure gives a false impression. There is no indication of why the three items aren't expected to yield this year. Not unnaturally this upsets and worries her.

The three stocks are local government loans. When a young relative inquired at the branch why these rock solid investments were shown yielding nothing, he was told the computer couldn't handle local government stocks. So he tried head office and they said no, it wasn't just Reading, so there had not been anything unusual in this case.

The program used for estimated incomes for the whole trustee side of the bank could not cope with the calculation, nor does it indicate that the total estimates are wrong if local authority loans are held (the bank claims someone "normally" writes in an explanation).

The program can take forecast equity dividends to five decimal points and print out the estimated income from any odd number of shares. But 500 City of Whatnot 12½ per cent. and it just prints "0."

Mixed interests

Can a leading Social Democrat also be a Freemason? I thought such questions went out with Pushkin, but it is being hotly



debated in Denmark, the subject being Defence and Justice Minister Orla Møller. He is reckoned to be one of the more hard-headed and talented members of the Cabinet, but he also spreads those talents around, mixing Defence and Justice with being an ordained priest of the Lutheran State Church and all three with being a high-ranking Mason.

What has caused the trouble is a temporary injunction against a TV showing of a documentary about Masonry. This injunction was given under a fairly recent Act on protection of private life, but Møller's opponents imply that the Justice Minister is imposing censorship because of the sensitivity of Masons at having their secret rituals enacted in public.

Møller says he hasn't been to a lodge for 10 years. "This is a matter of personal freedom and I shall stand fast even if it costs a Cabinet job." Asked if the issue had been discussed in the Social Democratic parliamentary group, he replied, "Let them just try."

Iran's consortium banker

To be managing director of a London consortium bank whose shareholders comprise two of Iran's largest banks—one of them State-owned—and eight top-line international banks clearly requires many qualities. Not least diplomacy, given the Shah of Iran's control over all aspects of his country's activities. Darius Oskoui clearly has these. Seconded to the position as managing director of the Iran Overseas Investment Bank nearly two years ago, he has made an easy transition to that role from being formerly Deputy Minister (equivalent to our Under Secretary) in the Plan and Budget Department of the Iranian Government.

Iranvest has now raised its capital from \$5m. to \$28m. new shares being taken up by Bank Mellat Iran, the State-owned bank, and the Industrial and Mining Development Bank of Iran, the largest of its type, to give each a 25 per cent. holding. The balance of 80 per cent. is equally owned by Barclays Bank International, Midland Bank, Deutsche Bank AG, Société Générale, Bank of America NT and SA, Manufacturers Hanover International Banking Corporation, Bank of Tokyo and Industrial Bank of Japan.

That the Iranians have the largest holding reflects the importance of business put Iranvest's way from Iran, although the hope is clearly that the balance will eventually produce more two-way business between Iran and other countries in putting together loans, syndicated loans and, in particular, project financing. Oskoui arrived with the Bank's founding in 1973, and having been designed to get funds into Iran, it almost immediately produced an outward flow.

Seconded to his appointment, Oskoui still retains his status within the Civil Service there and has not officially left the government organisation. Diplomatically silent on what the Shah may think about Iranian involvement in consortium banks, he none the less admits that when it comes to knowing what policies are regarding development and financing he is still close to many government officials.

Educated first in Iran, Oskoui then spent ten years in the U.K., part of that time at the London School of Economics. Returning then to Iran he helped prepare his country's third development plan, took time off for a Ford Foundation Fellowship at Stanford and a spell in Iran's Washington Embassy, and then became a director of Plan and Budget, helping prepare the fourth development plan. Moving up in the government, he became deputy minister in the Ministry of Agricultural Produce and Consumers' Goods, then back to Plan and Budget as Deputy Minister where he spent seven years—four of them in charge of all external relations and thus empowered to handle all external borrowings for development projects—and then in charge of the fifth development plan.

Beaten

In response to its two-page letter saying the Government should pay back some of its profit on the BP shareholding, the Burmah Shareholders Action Group has got a hastily scribbled reply from one woman shareholder, clearly "spunch-drunk with the fall of oil and car giants: "I am accepting the scheme—have already agreed to 10p."

Observer

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BY ELINOR GOODMAN

Terry Kirk

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Incorporated

August 1, 1975.

COMPANY NEWS + COMMENT

Big second half downturn at Letraset

A DROP of £0.72m. to £2.01m. in profits for the year ended April 30, 1975 is reported by Letraset International, makers of type transfers and instant lettering systems.

At halfway, the profits had fallen £0.19m. to £0.9m.

Full year net earnings per 10p share were 4.7p (7.14p). The dividend is stepped up from 1.2053p to 1.2815p, with a final of 0.9125p.

1974-75 1973-74

Sales	22,728	22,000
Profit before tax	2,010	2,730
Taxation	1,295	1,215
Profit after tax	715	1,515
Dividend	1,205	1,205
Retained	510	310

The directors state that a relatively strong first quarter gave way to a weakness in sales in principal overseas markets during the remainder of year. This was initially the result of a reduction in inventories by dealers but clearly the international recession has since contributed to a reduced demand for commercial art materials.

The group has achieved a major reduction in cost base, and has been able to maintain its strong competitive position in 1975.

The financial position continues to strengthen. There has been since last year a marked improvement in the balance sheet, reflecting the reduction in the ratio of external liabilities to shareholders' interests. Further, more borrowings are well within existing facilities.

Tax charge for both years has been affected by unrelieved losses and this had a particularly adverse impact on the charge for 1974-75. This stemmed largely from the group's Japanese operations where remedial action is being taken.

Statement Page 13

See Lex

B. Elliott sees good year

In the present uncertain economic and political situation, the chairman of B. Elliott & Fry, finds it "especially difficult" to forecast even in the short term.

However, the directors expect a good profit for the group in the current year, although "this will not match the record just achieved."

As reported on July 27, taxable profits jumped from £2.3m. to £4.3m. for the year to March 31, 1975, on turnover up from £26.3m. to £30.3m. The dividend is 5.235p (5.345p) net, the maximum permitted.

The accounts show that the directors waived remuneration totalling £60,000.

Mr. Fry tells members that the machine tool manufacturing division had a very satisfactory year recovering from the effects of the three-day week to achieve a record turnover and profit. Exports again increased to over 40 per cent. of output.

The six companies in the machine tool merchandising division again improved on previous successes.

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Ask for Anne-Marie Scherman

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Hall & Earl turns in £0.62m.

AFTER BEING behind from £233,504 to £219,906 at midway, Hall & Earl has made a sizeable profit of £62,000, improved from £560,363 to £615,283 for the year ended March 31, 1975.

Earnings per 5p share have risen from 2.34p to 2.50p and the dividend is raised from 0.4617p to 0.4927p net.

1974-75 1973-74

Turnover	7,746,217	8,810,678
Profit before tax	312,739	281,282
Tax	312,739	281,282
Profit after tax	0	0
Dividend	0	0
Retained	0	0

comment

A rise of one-tenth in pre-tax profits from Hall & Earl is a fair enough turnout from a textile group, and in part this owes something to the move away from the highly depressed double jersey knitwear and an extension into other fabrics such as fleece. As an industry, ladies' outerwear has shown some relative strength against the textile sector and, even though this may not continue through the current year, Hall & Earl is aiming at one end of the scale with the cheaper budget knitwear and at the other with quality product for which the decline will be concentrated somewhere between the two. Only time will tell if the group's strategy is justified, but market sentiment is not impressive, with a share price of 80—the same as at the beginning of the year—and the current yield a well covered 13.3 per cent.

Burmah action group taking Counsel advice

By Margaret Reid

THE BURMAH Shareholders Action Group is instructing solicitors this week for the purpose of taking advice of Counsel about the proposed takeover of the company by British Petroleum.

Among the principal questions posed by the shareholders group are whether the directors had the legal right to dispose of the shares and whether the Government, when it fixed on £200 a share sale price, had more knowledge than the Stock Market about the shares' value.

The holding was sold to the Bank of England for £178m. in January, when Stock Market levels were lower than today's. The present value of the holding is nearly £200m. higher.

The shareholders group is also raising questions about the role of the Bank as pledgee of the shares in the period before the sale between December 31, 1974 and January 23, 1975, and con-

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Retained	0	0

comment

A rise of one-tenth in pre-tax profits from Hall & Earl is a fair enough turnout from a textile group, and in part this owes something to the move away from the highly depressed double jersey knitwear and an extension into other fabrics such as fleece. As an industry, ladies' outerwear has shown some relative strength against the textile sector and, even though this may not continue through the current year, Hall & Earl is aiming at one end of the scale with the cheaper budget knitwear and at the other with quality product for which the decline will be concentrated somewhere between the two. Only time will tell if the group's strategy is justified, but market sentiment is not impressive, with a share price of 80—the same as at the beginning of the year—and the current yield a well covered 13.3 per cent.

Burmah action group taking Counsel advice

By Margaret Reid

THE BURMAH Shareholders Action Group is instructing solicitors this week for the purpose of taking advice of Counsel about the proposed takeover of the company by British Petroleum.

Among the principal questions posed by the shareholders group are whether the directors had the legal right to dispose of the shares and whether the Government, when it fixed on £200 a share sale price, had more knowledge than the Stock Market about the shares' value.

The holding was sold to the Bank of England for £178m. in January, when Stock Market levels were lower than today's. The present value of the holding is nearly £200m. higher.

The shareholders group is also raising questions about the role of the Bank as pledgee of the shares in the period before the sale between December 31, 1974 and January 23, 1975, and con-

£0.82m. from Clive Discount

FOR THE year to June 30, 1975, Clive Discount Holdings announces a group net profit, after provision for rebate and taxation and a transfer to contingencies reserve, of £821,977 compared with £821,977 in the year to June 30, 1974, a £38,000 loss for the previous year.

The dividend for the year is lifted from 0.82m. to 0.84m. As stated in the Offer for Sale, the company will be reverting to its former accounting date of March 31. The directors will consider payment of an interim dividend in January 1976 and a final dividend in June 1976 based upon the results of the company for the year to March 31, 1976.

1974-75 1973-74

Consolidated profit	821,977	821,977
Extraordinary income	0	0
Prof. div.	0	0
Ord. div.	0	0
Div. to general reserve	0	0
Div. to contingencies reserve	0	0
Div. to shareholders	0	0

comment

Clive Discount's statement adds little to the offer for sale prospectus in June, other than to show an increase of £28,000 over the forecast net profit; a surplus on the sale of money broking subsidiaries to Sims Darby London Ltd. for £250,000. Currently the company is generating a book of short average maturities, interestingly enough, in the light of the authorities' restrictions on sale of subsidiary sector debt holdings, the gap between VLT and base rates has now given a competitive edge to the company's short-term supply of usually more profitable private sector money has been sluggish. Another guiding factor has been given on the prospective dividend payments but on the basis of a nominal dividend last year, the yield at 10p is 10 per cent., in line with the sector.

Statement Page 15

Newman shares gift to employees

Mr. Alan Bartlett, chairman of Newman Industries, the electric motor specialists, yesterday announced that immediate steps were being taken to offer as a gift 65,000 Newman shares to 6,500 employees in Newman and its associated public companies as a first step to his already-announced plan for "creation of an industrial co-operative embracing all six companies."

Newman has recently been subject to controversy due to pressure by Prudential Assurance, acting for its institutional shareholders in Newman, to elicit extra information on deals to purchase assets from Thomas Poole and Gladstone China. The deals were ratified last week without an independent report by Schroder Waring having been completed.

Mr. Bartlett said he hoped that the formalities would be completed in time to allow the issue of the free shares in early September.

The shares are currently owned by Strongpoint, a private company controlled by Mr. Bartlett and Mr. J. K. "Jack" Laughton, deputy chairman of Newman and TPG.

Mr. Bartlett described the move as "merely a logical development of the role of the shareholder, enabling employees to participate in the policy determination and profit distribution of an enlarged group, while maintaining their respective responsibilities and contributions."

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Rediffusion Holdings sees loss

Interest charges at Wembley Stadium, which last year reduced Rediffusion Holdings profit, will be about £1.7m. in the current period; as a result the group is expected to sustain a loss in the year ending March 31, 1976, according to the directors in their annual report.

Throughout 1974-75 building work continued on the conference centre and offices, the landscaping of car parks and the construction of overhead walkways at Wembley Stadium. They say the conference centre is expected to be opened in September, 1976, and the offices should be complete and available for occupation in June, 1976.

The returns to date from the squash centre "have been encouraging," they add.

As reported on July 16, profit before tax declined from £0.77m. to £0.47m. in 1974-75 after interest charges of £0.4m. (£0.1m.). Dividend is 2.25p (3.33p) net.

Meeting, Stratton House, W. on September 18 at 10.30 a.m.

CU policy for retail shops

By Eric Short

A new insurance contract available for most retail shops in the U.K., except Ireland, has been launched by Commercial Union Assurance. This puts together in one policy all insurance require-

ments of the trade and is available for all shops except certain specialised ones such as jewellers, furriers and betting shops.

The package consists of the usual compulsory covers—shop contents, consequential loss, liability insurance, external glass and money on premises. But the insured has the facility to add optional covers, including theft, fire, personal accident, business machines, internal glass and failure of public utilities.

The CU has produced a rating guide which will enable agents and brokers to make premium quotations, thus saving a lot of time initially. The policy gives improved commission rates to brokers compared with the previous contract.

MINING NEWS

Texasgulf may have new find

BY LESLIE PARKER, MINING EDITOR

AMERICA'S BIGGEST Canadian miner, Texasgulf, which runs the Kidd Creek base-metal mine near Timmins in Ontario, may have discovered a viable new zinc orebody in the Yellowknife area of the Northwest Territories, our Montreal correspondent reports.

The company has drilled 29 holes on a 23,000-acre property near Lake 225 miles north of Yellowknife. Assay results have been released from the first 14 holes. The showed zinc values of up to 20 per cent. plus 2 per cent. copper, 2 per cent. lead and 2 ounces of silver a ton. Individual sections revealed much higher contents of copper, lead and silver.

The structure is stated to appear highly contorted and there are wide variations between sections although metallurgical problems are not thought to be likely. The company is considered to have a rough idea of the tonnage potential but is not revealing its estimate until further drilling has been completed.

Encouragingly, the company said that copper values seemed to be getting richer as drills on the structure moved eastwards. But it cited access problems although these would not be serious if the property proved to be a large potential mine. The nearest producers are the 80 per cent. owned Pine Point lead-zinc mine, which has large ore reserves and paid off its production financing debt in three years; the same group's Con mine, which is in the throes of a 30 per cent. expansion programme; and another gold mine also near Yellowknife.

Texasgulf is 33 per cent. owned by the Canadian Government's Canada Development Corporation which acquired its interest at \$29 a share in 1973. The week-end Toronto price thereof was \$33.

wholly-owned subsidiary of the U.S. mining group Amstar, which runs the Kidd Creek base-metal mine near Timmins in Ontario, may have discovered a viable new zinc orebody in the Yellowknife area of the Northwest Territories, our Montreal correspondent reports.

Drill indicated ore reserves at the Bamboo Creek gold prospect of Australia's Weekabara Minerals are stated to stand at 223,000 tons averaging 25.2 dwts. Of these 123,000 tons are classed as "probable" grading 30 dwts. A profitable operation is thought to exist on a 150 tons of ore a day basis. Various development alternatives are being pursued but there is no intention to seek further funds from shareholders. There is scant market in the shares in London where the nominal price is around 10p.

Rio Algom earns less

IN LINE WITH other copper producers, the Rio Algom mine in Canada reports sharply lower earnings for the first half of this year.

They amount to a net \$13.6m. (\$12.5m) or \$1.25 (50p) per share compared with \$20.4m. in the first half of 1974 and that year's total of \$43.5m. which was equal to \$3.92 per share.

The latest results reflect the impact of lower copper prices and higher taxation, notably at the 59.3 per cent.-owned Lorne mine in British Columbia which, as reported in Mining Notebook yesterday, has paid no less than 80 per cent. of its available profits by way of taxes and royalties in the past half-year.

Rio Algom's steel revenue has increased but this has been over-ruled by rising costs in the latest period. The only bright spot has been the higher earnings from uranium.

So far as the current half-year is concerned, the potentially important uranium division should be in a wide profit and, if Transatlantic economies pick up, Rio Algom's steel activities should recover further.

Copper prices may improve but the group's Alton de Perrier mine in Quebec is expected to close shortly. In all, Rio Algom may maintain earnings in the current six months but is unlikely to do much better until the hoped-for improvement in world economies develops next year.

ROUND-UP

Possidon announces that in deep diamond drilling at the Windarra nickel mine in Western Australia in which Western Mining is a partner, an intersection of 2.4 metres (7.87 feet) averaging 1.78 per cent. nickel was made at a vertical depth of 820 metres (2690 feet) in a wide drilled hole 7.5 metres (24.6 feet) strike averaged 2.13 per cent. nickel a short distance to the south in the same hole.

The mineralisation is stated to be the deepest encountered to date at Windarra. Yesterday Possidon rallied 3p to 200p.

Shareholders in America's Central Oil have unanimously approved the sale of its assets to Amstar Petroleum Corporation a

LEND LEASE CORPORATION

Audited results for year to June 30 1975

Profit down as forecast. But net assets and asset backing up

	1974/75	1973/74	Percentage Change
Consolidated Trading Profit	17,500,523	21,291,401	-17.8
Less Depreciation and Amortization	2,088,902	1,619,795	+29.0
Taxation	6,900,447	9,133,276	-24.5
Minority Interest	35,335	31,209	+13.2
Net Profit after Tax	8,475,839	10,507,121	-19.3
Average Paid Capital	20.5M	19.86M	+3.2
Percentage Return on Average Paid Capital	41.3%	52.9%	-21.9
Dividend Appropriation	5,124,000	4,966,147	+3.2
Total External Revenue	204.5M	172.4M	+18.6

Total net worth increased from \$458.1m. to \$463.7m.—an increase of 9.6 per cent. which gives asset backing of \$41.54 per stock unit (1974: \$41.42). The group's total borrowings were 17 per cent. of total assets (1974: 19 per cent.). A same again final dividend of 12p per cent. is being recommended.

The Directors have decided not to adopt "Tax Effect" accounting which would have increased the after tax profit for the year by \$450,000. In view of the current state of the property market, particular attention has been paid to ensure that a conservative approach has been adopted as regards the book value of the land and buildings component of trading assets.

It is anticipated the current level of profitability will be maintained in 1975/76. A sector profit breakdown shows that property investment has increased its share from 43.6 per cent. to 56.9 per cent., while property development has dropped from 20.9 per cent. to 7.2 per cent. Other sectors were: Construction 20.2 (1974: 17.8); Industrial 10.6 (12.9) and Sundry 5.1 (4.8).

Annual General Meeting: October 24 1975 Sydney, Share Transfer Books closed 5 p.m. September 26 1975—5 p.m. September 29 1975. Copies of the Annual Report will be available from City of London Financial Public Relations, Orient House, New Broad Street, London EC2M 1JY, Tel: 01 428 3318, Telex: 681 1725.)

The following points are from the Report and Accounts and Statement of the Chairman, Mr. Harry E. G. Gee, for the year to 31st March, 1975.

showing a greater percentage increase than for the year under review.

* During the year we have closed seven retail branches. New branches have been opened at Bamsley, Bath, Carmarthen, East Kilbride, Letchworth and Nottingham.

* Work on the new warehouse and offices in Leicester commenced in November 1974 and it is anticipated we will move early in 1976.

* The year under review was a difficult one for the motor trade but we were able to produce a useful contribution to the profit of the Group.

* Group turnover for the year was again a record with a 16.7% increase but, due to competition and Government control, profit margins were decreased and at a time of escalating costs profit was down by 1.7%. Currently our turnover is

The Union Discount Company of London is now also of Edinburgh.

The Union Discount Company of London Ltd. is now perfectly placed to offer its services to industrialists and financial institutions in Scotland.

From our new office in Melville Street, Edinburgh, we shall provide a service to both borrower and lender. We can provide short-term credit through the discounting of Bankers' Acceptances and Trade Bills of Exchange. To the short-term investor we offer a wide choice of outlets for his money—Certificates of Deposit, Commercial Bills of Exchange, Treasury Bills and Local Authority Bills and Bonds. All these give a good return and are readily negotiable.

Whether you are borrowing or lending, you can be certain that Union Discount's rates will be among the most competitive available. Our long-accumulated knowledge of the discount market is now available in Scotland to advise you and we can support our advice with a wide range of money market instruments to meet your various needs.

Michael Healy, our Representative in Scotland, will be delighted to tell you more.

The Union Discount Company of London Ltd.
24a Melville Street, Edinburgh EH3 7NS. Tel: 01-226 3535.

The first people you should ask about short-term money.

مكتبة

Tilling buys hearing aid interests

**RICHARDS
(LEICESTER)**
Richards (Leicester) has been

price is \$8.5m., although it is subject to adjustment reflecting variation in the net worth of the company.

Manufacture of Baurle products will continue, as will existing arrangements for marketing these products by both Addressograph Multigraph and Roneo Vickers and, in certain instances, by Oce Nederland B.V.

Mathias Baurle, located at St.

Joseph Sebag has bought 10,000 Laurick at 115p on behalf of associates.

Boys-Stones Simpson and Spencer has purchased 1,250 Ferguson Industrial Holdings at 51p on behalf of an associate.

Simon and Coates bought on behalf of an associate of Whit-spark Investments 10,000 Charterhall Finance Holdings at 56p.

	1974	1973
Turnover*	\$5,100,000	\$4,774,434
Pre-tax profit	2,196,337	1,356,956
Tax	1,845,051	695,880
Minorities	740,544	
Dividends	159,608	80,000
To reserves	293,000	283,000
Forward	640,486	826,608
* Includes \$17,941,347 from new overseas companies and \$16,173,940 (vs. \$44,780)		

"However, I am pleased to report that we are more than retaining our full share of available business. I believe we have now seen the worst and that we shall emerge from this tunnel of gloom, stronger than ever and well placed to claim our full reward."

In addition to this destruction of the great cathedral nearly all the City's churches became, at the least, unusable. It is reported that the City once possessed 126 of these places of worship, many of them of pre-

it is a salutary reminder to find a well-illustrated book to give the story of these churches, excluding St. Paul's, which begins before Wren's time and ends much after it, although his is the major contribution.

To Charles Dickens the City churches were not appealing. "... rot and mildew and dead citizens formed the uppermost element," he wrote. "They remain

1

[illegible]

* Mr. Hugh E. Martin-Lewis has been appointed a director of MONO PUMPS. He has also been named a director of the other operating companies that comprise Mono Group in the U.K. He was previously with British Steel Constructions (Birmingham).

* **AYRSHIRE METAL PRODUCTS** has appointed Miss M. D. Stevens as company secretary succeeding Mr. James Higgs, who has been appointed as managing director. Mr. C. H. Fraser, Mr. G. Grant and Mr. D. R. Moon, directors of Metal Trim, have been co-opted to the Board of the parent company.

* Mr. John Jourdan, who is managing director of Parker Knoll, has been appointed deputy chairman of the PARKER KNOLL GROUP in addition to his existing responsibilities. He is following him will take over as chairman from Mr. Hase Jourdan in August next year.

* Mr. A. B. Sanders, general manager of the Animal Health Division, has been appointed to the FORTH LIME KILN and FRENCH LABORATORIES.

* Mr. S. Patrick Whaley has retired from the Board of JOHNSON AND JOHNSON.

* Mr. Richard J. Sparrow has been appointed a director of WILLIAM PICKLES AND CO.

* Lord Greenwood of Rossendale has been appointed chairman, and Dr. James G. Sommerville, vice-chairman, of the BRITISH COUNCIL FOR REHABILITATION OF THE DISABLED.

* Mr. G. A. Allen and Mr. J. B. Farman has retired from the Board of VICTOR WOLF. The two vacancies are being filled by the appointment to the Board of Mr. R. J. Bates and Mr. R. R. Jessel (non-executive).

* Mr. A. A. Huskinson has been appointed chairman of the Economic Development Committee for the Hotels and Catering Industry at the NATIONAL ECONOMIC DEVELOPMENT OFFICE. Mr. Huskinson is chairman of Lloyd's Register of Shipping.

* Mr. Archibald Paterson has been appointed a non-executive director on the main Board of the DEREK CROUCH GROUP.

* Mr. Costas Ioannides has been appointed to the Board of BANK OF CYPRUS (LONDON), as finance director.

* Mr. John A. Darr, Jr., a director of London Multinationals, has been appointed managing director of the Hong Kong-based multinational bank, BARING SANWA.

* Mr. R. J. Clarke has been appointed a regional general manager for the London Region. He will be succeeded as regional general manager for the North West Region by Mr. R. G. Cross, as present a local director of Barclays Southampton District.

* Mr. C. M. de Boer has been appointed secretary of the PANEL ON TAKE-OVERS AND MERGERS in place of Mr. H. J. Trembath, who remains an assistant director general. Mr. de Boer is currently secondment from the Panel from James Capel and Co.

* Mr. R. J. Hobbs has been appointed chairman of STAG PLASTICS in succession to Mr. R. N. J. McCorquodale who has resigned as chairman but remains on the Board. Mr. Hobbs will be succeeded as managing director by Mr. M. W. MDIs who until April of this year, was managing director of the Vacuum Group's vacuum forming business in South Africa.

* Mr. Colin Brockington has been appointed a director and secretary of ROBERTS AND BIRCH. Mr. George Cannon, chief executive of Fitch Lovell, of which Robrich is a member, becomes chairman of Robrich following the retirement of Mr. R. J. Astlen. Mr. R. J. Astlen is now responsible for Midlands and Northern division sales of Robrich, and Mr. B. S. Atkin is now responsible for the Midlands and Birmingham factories.

* Mr. R. H. Lewis (Labour MP for Canisale), has joined the Board of ANSVAR INSURANCE COMPANY.

* Mr. H. V. Keating, deputy chairman of Southern Gas, has been appointed deputy chairman of West Midlands by BRITISH GAS, with effect from October 1. Freshwater Mr. R. E. Jones, who is retiring.

* Mr. E. T. Rice has been appointed group financial director of BIGLAND (HOLDINGS).

* Mr. Charles J. Buder has joined the Board of CARRON HYDRAULICS, a division of Carron Company.

* Mr. Arthur Chamberlain has been appointed chairman of A. E. JENKS AND CATELL following the resignation of Mr. G. W. Wood. Mr. Bruce Sutcliffe, the deputy chairman, has resigned from the Board at his own request. Mr. Robin Jenks has been appointed managing director.

* Mr. J. C. Clarke has been appointed commercial director and Mr. R. Matthy, technical director of the recently formed CONDER LICENSING, a member of the Conder Group.

two RANK events have been experienced by the sponsored film *Press in London* over the last fortnight—screenings of good, old-fashioned industrial films. The first was deliberately intended to be nostalgic, because the occasion was a celebration by Shell to mark the 40th year of the Shell Film Unit. The second function was the Press screening of a new sponsored film from Wimpey, *Flaminda—Rain by Computer*—a rare delight which served as a sharp reminder that the art of the cinema has almost departed from industrial sponsorship.

Shell was really the first company to demonstrate consistently how this new art form could be effectively harnessed to the needs of industry. Its first production, shown again at the Unit's anniversary launch at *Airport*. This, released in 1935, was produced by the Unit's first head, Mr. Edgar Anstey, who is still very much alive, well, and active. *Airport* told the story of *Croydon's air terminal* with only the most subtle and natural references to aviation—fuel, and, 40 years later, it is still a very good film by any standards.

Cracks

The new Wimpey film carries on, in 1975, the cinematic tradition that Shell demonstrated so well. But, in 1973, such excellence and such feeling for the cinema as a skilful servant of industrial purpose is a very rare experience indeed. It served as a reminder that the productions we are exposed to nowadays are not only like so many moving wallpaper but that, like living with wallpaper, the cracks have spread without anyone actually noticing.

Why is *Flaminda—Rain by Computer* so good and so rare? It tells the story of the first fully automatic, computer-controlled irrigation scheme, in an area in Romania approximately the size of the Isle of Wight. A Wimpey company designed and organised the equipment for the three main pumping stations, regulator gates and computer controls. The story of this huge project is, in itself, fascinating, but, like all good stories, it owes much of its attraction to the skilful telling. In lesser hands, it would be tedious, and its social relevance

would be swamped by its technology. Of great importance, the film is cinematic in the old-fashioned style: it is visually rewarding, it moves, it has good variation in pace, and the sound track adds an imaginative dimension of its own (especially with some specially-composed electronic music which takes some Romanian folk tunes for its theme).

Cheaper

For an example of the contemporary trend towards anti-cinema, the Advertising Association has sponsored a film to answer many traditional criticisms of advertising (for example, it increases prices for the consumer, is misleading, even positively irresponsible). *Advertising in Perspective* follows current trends by relying almost entirely on the formula of talking heads, albeit very good talking heads, with the incisive Mr. Llew Gardner to represent objectivity.

The studio discussion on film can be cheaper to produce (one reason for its increasing popularity). And, of course, it happens to be a style to which we are all conditioned through our television screens. So it is almost an inevitable trend of the times. It was up to a point, but it offers little incentive for an audience to give its undivided and enthusiastic attention, especially (as in this case) for as long as 50 minutes. If the audience is not a committed or sympathetic group, the cause may be irretrievably lost.

The alternative is to resort to the old-fashioned art of the cinema: where the spoken word is supplemented by visuals that add their own extension or counterpoint to what is being said; where movement and pace keep the audience alive and interested. Would the Advertising Association, one wonders, regard a full page advertisement set in solid eight point type with display headings as a suitable way to project an important message on an emotive subject?

The epitome of anti-cinema is the tape/slide programme, now enjoying extraordinary popularity with industrial sponsors. Unfortunately, if the pictures in a slide programme are irrelevant to the message or

point being made, as is often the case, they seem to be, and if they fail to exploit the unique impact of still photography, an almost invariable weakness, then they are left without the one last advantage that even a bad film can rely on—movement. Nearly every tape/slide programme I have seen has been a poor, cheap and ineffective substitute for a film. It is economies and convenience which have made this medium popular, not inherent excellence.

Taking the trend even further, the audio-cassette is now bidding for a place in the industrial arena. Several sound cassettes on industrial and commercial subjects are now about to hit the market, while Management Training last week released a multi-media package which includes an audio-cassette. The complete kit, called *Where's the Trust?*, comprises a film (or videocassette), overhead transparencies, printed leader's guide and an audio-cassette. The subject is industrial relations.

Paramount

Remove the extra dimension of vision from talking heads, putting the dialogue on to a sound cassette only, and the need for brilliance in the words and their delivery becomes paramount. The Advertising Association, at least, had both of these qualities; *Where's the Trust?* has neither. Without even pictures to hold its audience, the words are painfully revealed as those of uncomfortable actors reading self-conscious dialogue that is trying to sound working class.

If sound alone is to be used, it must have something exceptional to offer—like the real, live unscripted dialogue. I have heard from a trade unionist on a Rank audio-cassette; spoken with such sincerity and cogency that it made a lasting impact on me. If plain words alone are to be used, there is no substitute for reality.

There is a place for the other media and styles that compete with the original concepts of cinema. But unfortunately too many sponsors are, failing to recognise the characteristics that should govern their choice; they are driven by cost alone to indifferent if not completely useless solutions.

Shook at

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INTERNATIONAL COMPANY NEWS + EURO MARKETS

French computer merger hits snags

By Robert Mauthner

PARIS, August 4

THE MERGER of France's state-owned computer group, the Compagnie Industrielle de l'Informatique (CII), with the American-controlled Honeywell Bull, which was approved by the French Government last May, has been running into difficulties.

The main obstacle appears to be the reluctance of one of the two main shareholders in CII, the leading French electronics company Thomson-CSF, to accept some of the clauses of the original merger agreement concluded by the Compagnie Generale d'Electricite (CGE) and Honeywell, under which the latter would obtain effective managerial control of the new company, CII-Honeywell Bull.

Under the original agreement, Honeywell Information Systems (HIS) would control only 47 per cent of the merged group, while

The other major difficulty in the negotiations have been caused by Thomson's understandable opposition to the provisions which directly affect its own activities. Under the draft agreement, for instance, Thomson is due to take over CII's Toulouse plant and its military, space and mini-computer operations. But its position has been made virtually untenable by a clause which would effectively prohibit it from competing with CII-Honeywell Bull in these fields, including the lucrative telephone communications sector, for at least 15 years.

Although the negotiations are not deadlocked, they are proving to be more complicated than foreseen and may last very much longer than expected before a final agreement is reached.

Major Iranian borrowings

By Mary Campbell

THE FIRST of what is expected to be a series of major Euro-market financings for Iran, announced by the Iranian Ministry of Finance, has been completed. It is \$300m. for the paper products manufacturer, Heptco, and has been provided by a group of German banks headed by Berliner Handels-Gesellschaft Frankfurt. Bank. Maturity is 11 years and spread reportedly 11 per cent.

Other loans which are still in the market include \$300m. for Iran's Reading and Bates, an oil drilling company jointly owned by the Industrial and Mining Development Bank of Iran and the American Reading and Bates Group. Lead manager is the Iranian Overseas Investment Bank. The Iranian private bank, Bank Pars, is borrowing \$100m. for three years.

These loans are expected to be a prelude to major borrowings from other Iranian entities, the arrangement of which is likely to extend into next year. It is thought that a major borrowing, perhaps as much as \$500m., may come from a new joint venture between Iran and Japan called the Iran-Japan Petrochemical Group. Although one rumoured Euro-market loan of \$300m. for one year—did not in the end materialise, since the funds were provided by the Iranian Government. Proposed projects are expected to call for finance of more than \$1bn. Of this about \$400m. is already thought to have been arranged by the Iranian Government. Some Euro-market sources suggest that part at least of the Iranian half may be sought on the Euro-market.

Euro-market sources say that major Iranian financings are expected to be completed in the next few months and are expected to be project-related rather than non-specific Government borrowings, such as are currently being arranged by Iraq and Algeria.

ANHEUSER-BUSCH

The fight to stay on top

By Arthur Jones

LAST YEAR, 36-year-old August A. Busch III (known as "Augie") was thrust into the positions of president and chief executive officer of Anheuser-Busch Inc., America's biggest brewers, with annual sales of \$1.4bn. (\$840m.). Mr. Busch took over the helm at a critical time for Anheuser-Busch. Sales were increasing, but profitability had been declining for two years.

Rapidly rising raw materials prices were making a bad picture worse, especially as Mr. Busch's father, (and predecessor) had refused to allow the use of materials to be used, materials that would reduce the quality of the famous "Budweiser" beer.

In the U.S. the top five brewers have about 64 per cent of the market. Even while the beer market is growing only at between 3 and 5 per cent annually, the big brewers have been increasing sales by as much as 10 to 12 per cent a year, taking business away from regional brewers, many of which are going out of business.

The rapid growth for the major brewers can be seen in comparisons between their sales volumes in 1974 and 1973: Anheuser-Busch, \$1.4bn. up from \$1.2bn.; Pabst, \$1.1bn. up from \$1.0bn.; Coors, \$1.2bn. up from \$1.0bn.; Miller, \$1.1bn. up from \$1.0bn.; Schlitz, \$1.1bn. up from \$1.0bn.

good years came from a lower per-barrel cost than Anheuser-Busch, the result, Jos. Schlitz Brewing Company insists, of efficiency. Not so, said Mr. Busch. He suggested it was less efficiency than a switch to cheaper materials to make the Schlitz brew.

The Anheuser-Busch beer, "Budweiser" (there are several other brand names), is brewed for 32 to 40 days. It uses high priced, "brewing adjuncts" such as rice and natural hops, Schlitz, with a brewing cycle of up to 20 days, uses cheaper adjuncts, such as corn syrup and hop extracts.

Jos. Schlitz's own declining earnings this year have given a psychological boost to the number one market leader. With a barrel capacity nearly 50 per cent greater than Schlitz, Anheuser-Busch has already gone from 10 per cent of the national market in 1964 to 23 per cent by 1974. Mr. Busch III wants to maintain that momentum.

To supply the eastern half of the United States from Colorado could be extremely expensive. Coors's recent decision to go public, plus its absence of any serious debt, means it can afford to expand. But by the time Coors has additional capacity on stream, Anheuser-Busch hopes to be further ahead than ever, adding within three years a further 14m. barrels, more than Coors's existing brewing capacity.

With capacity improving Mr. Busch III has to ensure that costly, equally closely watched, his breweries, increasingly are manufacturing their own cans (packaging is 60 per cent of the beer cost). The corporation is developing its industrial product division, Anheuser-Busch has "leisure activities," but the company is a brewer, and always will be a brewer.

How successful is it? There was a time that a company could be said to have arrived when its product name became a generic term like "Kodak" or "Hoover" or "Biro." In the U.S. these days a corporation has arrived when its corporate logo or symbol becomes a national art form.

The Budweiser beer can label is such an art form. It can be seen on the ubiquitous T-shirts, emblazoned on summertime "bowler hats" and beach towels, on belts, desk shoes, and balloons. Nor is it just free publicity. Anheuser-Busch has licensed promoters to produce 8,000 items carrying the "Budweiser" label. It is a \$10m. a year business, from which the corporation draws royalties.

But the place the label most matters is on the "Bud" beer can.

And Mr. Busch III may find that the pledge to quality may be as he seeks greater profitability and an ever-increasing share of the national market.

Deutsche Bank slightly ahead at half-way mark

By Guy Hawtin

Frankfurt, August 4

WEST GERMANY'S largest commercial bank, the Deutsche Bank, reports a small increase in profits during the first half of the current year. But the bank, the last of the big three to make its interim report, appears to be showing a slightly slower rate of profit growth than its rivals, Dresdner Bank and Commerzbank.

According to the interim statement, the bank's pre-tax profit, excluding trading in its own account, totalled DM266.7m. in the first six months. This is some 3.3 per cent better than average half-year profits in 1974.

As far as its own account trading is concerned, profits were up in the bond and stock markets sector, while earnings from foreign exchange dealings declined. Pre-tax profits including own account trading were "somewhat over half of the previous year's profit," said the executive board.

They were up 12.7 per cent to DM255.2m., compared with half of the 1974 figure. A prime reason for the climb was higher commission earnings on dealings in securities.

Operating costs rose by 2.8 per cent to DM202.4m., compared with half of the previous year's total (DM178.5m.). Personnel costs went up 1.4 per cent to DM549.3m., while material costs rose 7.7 per cent to DM188.1m.

The business volume of the bank at the half-way mark lay 0.7 per cent under the position at the 1974 year-end. The balance-sheet total of DM501.9bn. remained virtually unchanged from the year-end figure of DM503.3bn.

The German savings boom has also benefited the life insurance business, the Association of Life Insurance Companies said in Bonn today. In the first six months of 1975 the Association, which numbers over 100 member companies, reports that new policy business saw an 11.9 per cent rise worth DM3.7bn. over first half 1974 new policy value of some DM31.9bn.

Good performance by Bayerische Vereinsbank

By Guy Hawtin

Frankfurt, August 4

BAYERISCHE VEREINSBANK of Munich reports that, despite a noticeable fall in interest rates, earnings on interest, bank credit and mortgage business have risen substantially. According to its interim report on the half year's performance, they have gone up by 14 per cent against the same period of the previous year to DM239.4m. At the same time, there has been an even greater increase in commission earnings for the bank's services. These are up by a full 27 per cent on the previous year's total to DM183.1m.

Costs have also moved upwards. Expenditure on personnel increased by 10 per cent, from DM131m. to DM143.4m.

Material costs rose by 11 per cent, from DM48.8m. to DM53.2m. The report also states that risk provisions will have to be strengthened.

The management reports that demand for credit remains weak and that the volume of both exchange credit and advances to customers remains under the level recorded at the end of 1974.

The balance sheet total of the bank, at the end of the first six months stood at DM235.9bn., some DM400m. more than that recorded on December 31, last year. Savings deposits in the report period rose by 11.3 per cent to DM181bn. and total liabilities rose by DM720m. to DM181.4bn.

Dr. Rosenbaum's assets may be allocated

By L. Daniel

TEL AVIV, August 4

A proposal that all assets in Israel belonging to Dr. Tibor Rosenbaum, his defunct international Credit Bank of Geneva or his Vaduz Companies be allocated to his Israeli creditors has been made by three court-approved Swiss representatives. The creditors of the bank and the companies.

The main Israeli creditors are the Israel Corporation and the Zim Israel Navigation Company. Israel Corporation director, Mr. L. Gai, told the *Jerusalem Times* this morning that he was having the assets in Israel evaluated and that, on the face of it, the proposal seemed a logical one.

The main assets here are a 22 per cent share in ATA, Israel's oldest vertically-integrated textile concern, most of the shares in Lodzia, another veteran textile producer, and a 50 per cent share in the Ramat Gan duty free shops.

The sum owed to the Israeli Corporation is \$8.5m. and to Zim \$11m.

The total evaluation of Dr. Rosenbaum's assets in Israel and abroad by the Swiss liquidator of the International Credit Bank will only be completed by the end of October and no final decision on their allocation will be taken until then.

Patrick Partners rescue plan

By Kenneth Randall

WITH THE Sydney Stock Exchange closed to-morrow for the August Bank Holiday, further efforts are being made to revive the failed stockbroker firm, Patrick Partners, one of the largest in Australia.

A rescue plan prepared by the trustees of the partners, Mr. J. H. Jamison, was frustrated at the eleventh hour on Friday. But Mr. Jamison said he was still optimistic that the partnership could be saved, that he would not have to call a creditors' meeting and that everyone would get their money back.

Mr. Jamison said that the plan he had prepared could not be revealed "because of the actions of other people" but it was not that the actions were Friday had been regarded as the virtual deadline for a firm rescue proposition but the timely Bank Holiday has given a further chance for discussion.

According to Mr. Jamison, four brokers have offered to take over the client list of Patrick's. He had also received offers of \$4.2m. in finance, (the amount necessary to mount a rescue) and nearly 60 employees had been retained in their jobs.

Mr. Jamison added that analysts of the Patrick Partners books showed current assets of \$410.1m., current liabilities of \$410.3m., fixed assets of \$41.1m. and partners' funds at \$41.1m. A doubtful loan of \$42.2m. was the reason for the partnership's cessation of trading—was included in the current assets. If the loan is not, in fact, recovered, there would be a net deficit of \$41.1m.

Patrick Partners made the loan to Patrick Intermarine Acceptances which, in turn, had lent \$42.2m. on call to Patrick Corporation, the investment company of the group. Patrick Corporation, 28 per cent owned by Patrick Partners, has told August 13 and to call a meeting Patrick Intermarine Acceptances of creditors by August 22.

Cautious times at SFC

By Geoffrey Grims

MALTA, August 4

SIVONDS FARSONS CISK, Malta's only brewer, made a pre-tax profit of EM376,280 (EM441,822) despite a harrowing trading difficulty.

Addressing the company AGM chairman Mr. Anthony Miceli Farrugia said the company must tread cautiously to escape being hit by the current recession. He reported that although there was a slight increase in the sale of "beers, beverages were still showing a declining trend."

No growth at Stad Rotterdam

By Fries Endt

ROTTERDAM, August 4

STAD ROTTERDAM, the big Dutch insurance company, expects profits to equal those for 1974 this year. Also, the company says in the prospectus for a new issue of shares, it is most likely that dividend will be the same for last year.

The outlook for this year is that gross profits in the second half of this year will show an increase of 15 per cent, just as in the first six months of 1975. For the whole of this year, the company expects a gross profit of Fls.38.6m. against Fls.33.1m. last year.

Net profits last year were Fls.14.2m. while the dividend was 20 per cent, and 2.5 per cent of this was paid in shares.

Setback at Deutsche Unilever

By Guy Hawtin

Frankfurt, August 4

DEUTSCHE UNILEVER, reports a massive turnover increase in 1974 but a heavy decline in profits. Earnings, however, are "still acceptable," says the management.

Group turnover last year reached DM7.51bn., says the annual report. This is a full 36 per cent increase on the previous year's DM5.56bn. Net profits fell by 12 per cent, however, from DM255m. in 1973 to DM233m.

Last year was unusually difficult. Deutsche Unilever—the nation's largest groceries and washing products manufacturer—was hit by stagnation in terms of volume growth, heavy monetary losses and high interest policies, says the report.

The heavy increase in turnover was largely attributable to price increases and therefore reflected inflation rather than volume growth. The group had been particularly affected by rises in the oil price and rises in the price of commodities used to make fatty oils. In real terms the business volume had increased by only 2 to 3 per cent.

Results remained satisfactory, said the report, because the circumstances in 1974 had substantially changed compared with the previous year. The crunch had come largely in the second half of 1974. There had been a noticeable drop in sales and a marked reluctance to consume. Coupled with this there had been a strong increase in prices of

imported raw materials. The 1974 results had to be seen in the light of the 1973 "boom year" and the "normal" 1972 business year.

As far as 1975 was concerned, the fall in consumer demand was still noticeable in the opening months of the year. At this point in time, says the annual report, it was not possible to forecast the year's outcome.

Against this background, Deutsche Unilever was endeavouring to take measures to adapt itself to the changed circumstances and to rationalise investment to lower the pressure of costs. Investment in 1974 fell from the previous year's DM255m. to DM228m. And in the current circumstances really large investment projects were not likely to be carried out.

A sector-by-sector breakdown of operations shows that in 1974 the proportion of turnover generated in the groceries sector rose from the previous year's 47 per cent of the total to 55 per cent. Grocery sales rose by over 36 per cent to over DM4bn.

Ice cream and deep frozen food sales totalled DM764m. and accounted for 10 per cent of turnover in 1974 compared with 12 per cent, the previous year. Washing products, soap, physiotherapy and cosmetic product sales totalled DM655m. and accounted for 9 per cent of turnover against 10 per cent a year earlier. Fish and fish products, totalling DM719m., accounted for just over 9 per cent of sales against 10 per cent, the previous year, while the packing products, plastics and paper sector business, worth DM490m., generated an unchanged 7 per cent of sales. The share of the other small operations in group turnover fell from 14 per cent to 10 per cent.

Magnet Joinery

Continued Expansion of Depot Outlets

Extracts from the Statement by Mr. J. T. Duxbury, Chairman of Magnet Joinery Limited, for the year to 28th February, 1975.

- * Depot sales increased by 7.4% to £25.4 million. We now have 114 depots in operation.
- * Our depot policy makes us less dependent on new housing starts and gives us better stability in times of recession. Expansion of depot outlets will continue together with improvements to facilities at existing depots.
- * The factory at Grays, Essex has been closed, enabling us to concentrate production of prepared joinery, doors, windows and ancillary products at our very modern manufacturing unit at Keighley. We intend to lease the Grays factory for a substantial annual income.
- * I would expect turnover for the current year to exceed last year, providing that the economy does not take a violent turn for the worse. 1976 must be viewed with extreme caution.

Comparative Figures	1975	1974
Turnover	£26,928,294	£25,483,713
Profit before Taxation	£5,167,961	£6,986,290
Profit after Taxation and minority interests	£2,451,888	£3,370,795
Earnings per Ordinary Share	19.6p	28.29p
Dividend per Ordinary Share (maximum permitted)	2.7351p	2.5729p
Cash flow	£5,628,926	£4,261,898

Copies of the full report and Accounts may be obtained from—The Secretary, Royd Ings Avenue, Keighley, Yorkshire, BD21 4BY.

Swedish bond issues rise

By John Walker

STOCKHOLM, August 4

SWEDISH BOND and debenture issues made during the first six months of this year rose by 19 per cent, (Kr.2.4bn.) to a total of Kr.4.1bn. compared with the same period last year, the Central Bureau of Statistics states in its latest report. Borrowings from abroad accounted for a greater proportion of the increase, which amounted to Kr.2.1bn. compared with Kr.2.3bn. in the same period of 1974.

State Bond issues amounted to Kr.4.8bn. compared with Kr.4.4bn. in the first six months of 1974, of which Kr. 1.7bn. was premium on Government bonds. Local authority bond issues amounted to Kr.638m.—up from Kr.270m. Housing finance institutes dropped marginally to Kr.6bn. At the same time, company and industrial financing showed a large increase from Kr.1.3bn. in the first half of 1974 to Kr.3.2bn. this year.

Company Results

Genstar second quarter rise

Genstar second quarter earnings per share rose to \$Can. 1.10 (90 cents). Net income was \$Can.12.8m. (10.2m.) from revenues of \$Can.198.7m. (177m.). First second quarter earnings rose to 47 cents per share (41) on net of \$35m. (22.2m.) on sales of \$593.2m. (373.8m.). The 1974 results are restated for the company's domestic pharmaceutical, agricultural and chemical operations.

Upjohn reported record sales for the second quarter totalling \$240.86m. up 13.7 per cent from sales of \$211.85m. in second quarter of 1974. Net earnings for the quarter were \$19.565m. or 86 cents per share, compared with \$20.737m. or 70 cents per share in 1974 period, the drop in earnings being attributed primarily to escalating costs and expenses.

Engelhard Minerals/Chemicals second quarter net earnings were \$1.11 per share (1.11) or net of \$33.223m. (30.68m.) on revenues of \$1.16bn. (1.23bn.).

Cutler-Hammer sales for six

months to June 30 rose to \$187.11m. (182.95m.). Net income The airline had a net loss of \$1.568m. (\$3.11m.) or \$2.00 or 14 cents a share in (22.46) per share. The chairman states that the company continues to expect a relatively steady performance for the rest of the year, with some upturn in business anticipated towards the end of the year.

American Airlines reported net earnings of \$4.0m. or 14 cents \$143.001m. Second quarter revenue for June, compared with June 1974, was \$412.942m. up 1 per cent earnings of \$10.53m., or 37 cents, over last year's quarter.

This advertisement is not to be construed as an offering of the securities mentioned herein and is an announcement for record purposes only.

\$60,000,000
(Canadian)

The Alberta Gas Trunk Line Company Limited
(Incorporated under the laws of Alberta)

11½% Sinking Fund Debentures, Series 6
(Unsecured)
To mature August 1, 1995

Dominion Securities Corporation Harris & Partners Limited

Nesbitt Thomson Securities Limited	Richardson Securities of Canada Limited	Wood Gundy Limited
McLeod, Young, Weir & Company Limited	Midland Doherty Limited	A. E. Ames & Co. Limited
Merrill Lynch, Royal Securities Limited	Bongard, Leslie & Co. Ltd.	Pitfield, Mackay, Ross & Company Limited
Greenshields Incorporated	Burns Bros. and Denton Limited	Pemberton Securities Limited
Cochran Murray & Wiseman Limited	Peters & Co. Limited	Houston, Willoughby and Company Limited
Walwyn, Stoddell & Gairdner Limited	Equitable Securities Limited	Crang & Ostiguy Inc.
Bratton, Guy, O'Brien Inc.		

WALL STREET COVERS MARKETS Further 8.4 loss on inflation fears

BY OUR WALL STREET CORRESPONDENT

THE RETREAT continued on Wall Street today when investors grew more concerned by recent indications the inflation has revived.

The Dow Jones Industrial Average dipped a further 8.4 to 813.05, and the NYSE All Common Index fell 1.1 to 2,311.05. The Dow Jones Industrial Average was down 48 cents to 813.05, while the NYSE All Common Index was down 1.1 to 2,311.05. The Dow Jones Industrial Average was down 48 cents to 813.05, while the NYSE All Common Index was down 1.1 to 2,311.05.

Among the latest developments keeping investors on the sidelines was a report by Purchasing Agents that production material costs have risen, and comment that economic recovery was becoming more uncertain.

But analysts said investor demand also was hampered by Mid-East uncertainties and a report that bank prime interest rates may head upwards again soon.

Boeing was off at \$254, although it reported higher second quarter profits.

Heublein gave way \$11 to \$393. Wal-Mart gave way \$11 to \$393. Kodak \$11 to \$393, and Avon Products \$11 to \$393.

Santa Fe International shed \$2 to \$28 on lower second quarter profits.

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U.S. stocks were mixed, Gold and Germans lost ground, while International Oil was higher.

AMSTERDAM—General firm in continued dull conditions. Most International stocks gained, Phillips put on \$1.02, Royal Dutch \$1.02 and Unilever \$1.02, but also eased \$1.01.

Major Banks rose markedly ahead of half-year results. Local Industrials were mixed. Heineken moved up \$1.20 to 160.1.

State Loans eased. BRUSSELS—Mixed, with almost all Foreign stocks marked lower on lack of interest but local issues showed a majority of gains. Trading continued very quiet.

Gold Mines drifted lower. GERMANY—Lower on profit-taking and lack of new factors. Banks and Industrials showed the heaviest losses, with Deutsche Bank falling \$2.30 to \$20.1, although it reported slightly higher first half year profits.

Demag fell \$1.50 to 165.5, Daimler \$1.50 to 165.5, and Daimler \$1.50 to 165.5. In Motors, Daimler lost \$1.50 to 165.5, while Schering dropped \$1.50 to 165.5.

Elsewhere, Iffels were generally higher. Interest and short term Public Bonds put on up to \$1.05 on demand helped by Money Market liquidity. Foreign Mark Loans were mixed.

STOCK AND BOND YIELDS
U.S. STOCK INDICES
STANDARD AND POORS

Aug. 4 1975
DOW JONES AVERAGES

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NEW YORK, August 4.

SWITZERLAND—Narrowly irregular in continued quiet trading.

Banks generally improved, as did Financials apart from easier Interfund "B" off \$1.50 to \$1.25.

Small gains predominated in Insurance.

Among the few active issues, Swiss Credit Bank advanced \$1.10 to \$1.25.

Among Industrials, Electrowatt gained \$1.10 to \$1.25.

State Bonds were quietly steady.

In a quiet Foreign sector, Dollar stocks generally weakened, Dutch international were barely steady, while Germans lost ground.

COPENHAGEN—Mixed in moderate dealings. Commodities and Shipping higher, Industrials narrowly mixed.

VIENNA—Mostly steady. OSLO—Banks and Insurance firms, Industrials and Shipping quiet.

MILAN—Mixed trend, with activity extremely slow. Bonds were about maintained in a narrow range.

ROME—Slightly firmer in thin trading. Volume 90m. shares.

Sony added \$1.00 to \$1.10, Matsushita Electric Industrial \$1.10 to \$1.20, and Pioneer \$1.10 to \$1.20.

Alps improved \$1.10 to \$1.20. Electrical Household Appliances rose in sympathy.

Among Industrials, Selenia was also higher on selective buying.

Johannesburg—Gold shares were steady at lower levels in small volume. Sugar and other commodities were mixed.

Financial Minings were mixed. Platinum was of the top, while Coppers were mixed. Other Metals and Minerals were mixed.

Industrials were easier on lack of support.

AUSTRALIA—Mixed in quiet trading, with Industrials marginally firmer, while Minings were easier.

Hampshire shed 1 cent to \$1.15, despite an increased interim dividend.

Among Financials, ASL resumed 3 cents to 58 cents on profit for June half-year ahead of the December half-year.

Myer lost 2 cents to \$1.40. Bank of Adelaide dipped 3 cents to \$1.65. Pioneer Sugar gained 3 cents to \$1.40.

Investment premium based on \$2.00 per \$1—89.7% (87.7%)

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The U.S. dollar continued to improve in foreign exchange markets yesterday, being held by the U.S. reserve.

The dollar's trade-weighted average depreciation since the Washington Agreement as calculated by Morgan Guaranty in New York on noon rates eased to 2.22 per cent compared with the previous close of 2.37 per cent.

The pound's depreciation on the dollar, the range of the whole day being 1.66-1.67. The dollar's depreciation since the Washington Agreement as calculated by Morgan Guaranty in New York on noon rates eased to 2.22 per cent compared with the previous close of 2.37 per cent.

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GOLD MARKET

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FARMING AND RAW MATERIALS

Mounting costs hit NZ wool

WELLINGTON, August 4. THE NEW ZEALAND Wool Board lost \$2,290,368 in the 1974/75 season, says the Board's 50th annual report.

Costs between the farm gate and the overseas mill have doubled in the past 10 years and the rate of increase is likely to accelerate, it says. "As wool growers ultimately pay all costs," the Board is anxious to see everything done to hold them.

The Board says investment appears to have dropped to a level so low that the effect would be felt in lower production in the next two years following the usual one to two-year lag.

"Between the sheep's back and the auction floor, two-thirds of wool marketing costs are incurred at the woolshed—about \$50m a year."

The report says the \$15m fund set up by the Government early this year to supplement prices up to the average floor price of 93 cents a kilo had been drained of \$2.2m. Minimum and maximum prices in a stabilisation scheme should be widely spaced with price setting in the hands of the Wool Marketing Corporation under grower control, it says.

Farm training demand soars

By Our Commodities Staff. THE NUMBER of course days put on by the Agricultural Training Board last year rose "dramatically" from 5,773 to 6,582, says the Board in its annual report, out to-day.

"In a year when farmers and growers have been beset by a winter economy and climate problems, it is significant that many more have sought the Board's services to overcome known areas of difficulty," it says.

The extra demand and the effects of inflation, together resulting in the ATB's total expenditure of £2.3m, outstripping the budgeted figure by £314,000.

BUFFERS STOCK

GENEVA, August 4. NON-ALIGNED developing states have drafted an agreement here to set up a \$50m buffer stock of ten major commodities.

Informed sources said the plan would go before a foreign ministers' conference of non-aligned nations in Lima, Peru, at the end of this month, with a recommendation that a preparatory committee start arranging for a conference at which a convention would be signed establishing the fund. Reuter

London sugar, cocoa and coffee prices higher

BY RICHARD MOONEY

LONDON'S MAJOR soft commodity markets all moved sharply higher yesterday. Weakness of sterling was the main cause of the rise in cocoa, but was only a subsidiary factor in the sugar and coffee markets.

The December sugar quotation on the London terminal market ended at £187.875 a ton, up £13.375, after the London daily price had been raised £10 to £198 a ton. The rise, which lifted futures values by the permissible limit in early trading, was mainly attributed to reports of lower sugar content in the European beet crop.

Disappointing initial results of beet tests in the Netherlands and Belgium have raised doubts about the French crop, for which tests results are awaited. However, the sugar content of the Italian crop is expected to be normal, according to the Beet-growers' Association, which tentatively estimates the 1975 crop at around 10m. tonnes, against 7.5m. last year.

The November position on the London Robusta coffee market ended £24.75 higher, at £788.5 a tonne, after climbing to £789 at one stage.

The main factor behind this rise was the announcement by the Brazilian Coffee Institute

(IBC) that it would not renew its contract with overseas coffee importers. Sr. Camillo Calazans, the IBC president, said Brazil was only a subsidiary factor in the sugar and coffee markets.

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Sharp rise in silver prices

By Our Commodities Staff

SILVER PRICES rose sharply on London markets yesterday, added by the weakness of sterling against the U.S. dollar.

The London spot bullion price was fixed at 240.6p a troy ounce—a rise of 7.7p on Friday's level and the highest price since mid-May last year.

On the London Metal Exchange, a fair volume of fresh buying as well as short-covering was reported early on. Silver stocks in LME warehouses fell last week by 10,000 ounces, to 14,070,000 ounces.

From Calcutta, P. C. Mahanti writes: In line with the international price as quoted in New York and London, the price of silver has shot up in

India by more than Rs.100 to Rs.1,330 per kilogram in a matter of days after weeks of stagnation in the market.

Trade sources say that this rise in silver prices has been caused by a combination of factors, including a heavy demand from U.S., U.K. and some Middle East countries.

Indian bullion traders are keen to take advantage of the present situation as the London and New York prices are still substantially higher than the latest Indian rate. The most they are able to export, however, is about 30 tonnes of silver per day, although overseas demand for the metal is said to be at least 40 to 45 tonnes per day.

Since silver borders all over the country are difficult to get, the exporters are shipping only what they can manage to get. Professional dealers are also reserved as they expect international prices to move still higher.

India resumed silver exports in February 1974 and has since then exported Rs.1,500m-worth of silver up to last June, most of it to the U.S.

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PROCESSED VEGETABLES

Climatic extremes hit U.K. pea harvest

BY DAVID RICHARDSON

THIS YEAR'S pea harvest which started at the beginning of July looked like being a disaster. Fields planted late because of the wet spring then suffered from drought and were yielding as little as 5 cwt of peas at the end of August.

Recent scorching weather has caused more disruption, however. Peas became ready for harvesting too fast for processors to deal with them and hundreds of acres had to be "seeded-down"—left to be harvested dry and used for seed next year.

One freezing company had to seed 800 acres. Normally the harvest period lasts up to 50 days, but it has been cut to only 30 this year by late drilling at the start and hot weather at the end. But a spite of all the problems, total yields are said to be no more than 10 to 15 per cent down on expectations; much better than seemed possible only a couple of weeks ago.

Yield potential

Many individual growers who had only early peas will have lost heavily on this year's crops. And in view of the shortfall in tonnage, the processing companies may well be regretting their decision to cut acreages.

The cuts—up to 30 per cent in some cases—combined with lower yields will almost certainly mean that there will be a much heavier home grown peas to satisfy next winter's demand.

Green beans, on the other hand, have never looked better, although they desperately need rain now. For processors, the peas are the next most important processing vegetable, and being a semi-tropical crop they have grown well through the hot dry summer.

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Harvesting of beans will not begin until mid-August, but crops are generally healthy and well developed, with good yield potential. Providing it rains soon and that potential is realised, processors will no doubt try to wean shoppers from buying so many ever-popular beans and guide them towards the likely ample supply of beans.

Advertising campaigns on these lines can be expected in the winter.

One of the least glamorous processing crops—but most popular with farmers—is dried peas for canning, which still account for half of all peas sold for human consumption. Essentially, they are the same type of pea, and in some cases the identical variety, to those used for green processing.

The difference is that they are allowed to become fully mature and hard as grain before harvesting. They can be handled, therefore, with ordinary combine harvesters, rather than the special machinery used for green peas.

Yields and income are usually modest, compared to green peas, but so are growing and machinery costs, and profits are often as good or better.

Some of this year's dried pea crops have also suffered from the weather, but on average look much better than most peas for vining. This is probably because farmers judged their land to be ready, rather than fitting them to the complex processing programme, essential for vining peas.

But it is dangerous to predict yields or quality until dried peas are in the barn. The one thing they can't tolerate is wet weather after ripening and before ready to harvest in early August.

In such conditions, the whole crop lies flat on the ground. If the soil is damp so are the peas. It is then impossible to gather or

thresh the peas, so that in a prolonged wet spell it is not unknown to lose the whole crop. But dried pea growers who visited the Processors and Growers Research Organisation (PGRO) open day near Peterborough last week saw some of the first plots of peas which could take much of the risk out of the crop. It is a leafless pea, which has been developed over the last six years by the John Innes Institute at Norwich.

Perfect pea

In 1968 plant breeders from John Innes asked the PGRO what qualities were required for a perfect pea variety. The reply included such characteristics as the ability to stand until mature, instead of dropping flat on the ground because of the sheer weight of the crop.

Other requirements were a reduced leaf area to improve the micro-climate around the plant, making it less likely to rot in wet weather and allowing it to dry quickly when it was done; and a yield at least as good as those available from existing varieties.

The result is a pea which consists of stalks, tendrils and pods, but no leaves, which appear to embody all the right qualities. Seed in significant quantities for another two to four years, but enthusiasts at the PGRO and the John Innes Institute are already suggesting that this is the protein crop of the future, instead of trying to breed a hardy strain of soybean which is really not suited to the British climate.

The long-term market for dried peas for processing is said, meanwhile, to have a potential for considerable expansion to replace imports, mainly from the U.S., which should help to provide the impetus for getting this remarkable new pea into commercial production.

consumer arrangement, the sources said.

Developing countries had fought hard at the Geneva talks for the fixing this year of minimum and maximum prices for tungsten, but some consuming states had argued that such a system was not necessary because of the relative stability of the costs of the product.

Reuter

Tungsten price pact talks postponed

GENEVA, Aug. 4

TUNGSTEN PRODUCING and consuming countries agreed to postpone substantive discussions on a joint plan for price stabilisation until next year.

The 29-nation tungsten committee of the UN Conference on Trade and Development (UNCTAD) decided at a week-long session here that the 1976 meeting should evaluate the pos-

sibility of a system of minimum and maximum prices, conference sources said.

Delegates agreed that the terms of reference for this meeting—of the committee's 13-member working group—should include an appraisal of the tungsten, economic and technical aspects of proposals which could be incorporated in an inter-governmental, producer-

consumer arrangement, the sources said.

Developing countries had fought hard at the Geneva talks for the fixing this year of minimum and maximum prices for tungsten, but some consuming states had argued that such a system was not necessary because of the relative stability of the costs of the product.

Reuter

COMMODITY MARKET REPORTS AND PRICES

BASE METAL

COPPER—Based on the London Metal Exchange, copper prices were higher in the morning than in the afternoon. The price of copper rose from 240.6p to 241.6p a troy ounce.

LEAD—The price of lead rose from 174.5p to 175.5p a tonne.

ZINC—The price of zinc rose from 174.5p to 175.5p a tonne.

PERSONAL

CANCER RESEARCH—The price of cancer research rose from 174.5p to 175.5p a tonne.

RESEARCH—The price of research rose from 174.5p to 175.5p a tonne.

PLANT AND MACHINERY

RESEARCH—The price of research rose from 174.5p to 175.5p a tonne.

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CONTRACTS AND TENDERS

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WOOL FUTURES

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MEAT/VEGETABLES

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FREIGHTS

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OIL TANKERS

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CARGO

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TUNGSTEN

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MANGANESE

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VANADIUM

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MOLYBDENUM

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COBALT

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NIOBIUM

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TANTALUM

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RUTHENIUM

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RHODIUM

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PALLADIUM

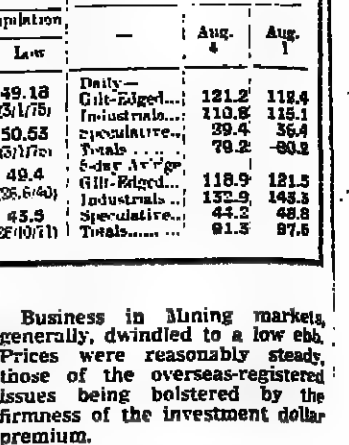
PALLADIUM—The price of palladium rose from 174.5p to 175.5p a tonne.

Another very quiet day but rally in gilts continues

Share index down 0.7 at 282.1—golds hold steady

6.94	6.96	7.05	7.12	6.24
5.718	4.597	4.733	4.864	6.334
48.27	36.28	41.30	37.65	-
9.903	9.740	11.820	11.629	10.192

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 S.E. ACTIVITY



Golds failed to draw much
 inspiration from the bullion price
 which was lowered 40 cents to
 \$196.33 per ounce at the morning
 fixing. It subsequently ended the
 day at \$186.50. Reflecting the
 scattered small losses, the Gold
 Mines index gave up 1.2 at 327.3.

These indices are the joint compilation of the Financial Times, The Institute of Actuaries and the Faculty of Actuaries

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include \$ premium, where are in pence unless otherwise allow for all buying expenses. Prices include all expenses. e Yield based on offer price. e Today's opening price. free of U.K. tax. x Offered all expenses except agent's. Offered price includes all bought through managers. price y Net of tax on realised loss. z Indicated by @. 1 Guernsey. 2 Single premium.

Powder Mill 50p.	120	4.25	
Secretary 1st	128	4.50	
Comer 1st 50p.	33	2.00	
Compartes	35	2.76	
Scullers	38	2.29	
Comer 1st 50p.	16	2.00	
Stocks	16	18.00	
Tote & Life 1st	177	3	110.8
Dwener 1st 50p.	58	2.76	
Comer 1st 50p.	49	3.22	
Unlaid	4	3.55	
United Hatters	91	12.83	
Vincent (Harry)	70	2.63	
Comer 1st 50p.	6	1.50	
Western 1st 50p.	62	1.50	
Wheatland	114	15.05	

HOTELS & CATERERS			
Add 1st 10p.	75		
Bond W.F. 10p.	75	10.75	
Brent William 1st	57	0.94	
Comer 1st 50p.	22	21.15	
C.C.H. 10p.	22		
Comer 1st 50p.	22		
Cat. Hotel 1st	22	0.71	
Comer 1st 50p.	22	0.71	
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FINANCIAL TIMES

Tuesday August 5 1975

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NVT unions spurn closure

BY TERRY DODSWORTH and CHRISTIAN TYLER

UNION REPRESENTATIVES from motor-cycle manufacturers Norton Villiers Triumph last night rejected the management's plans to close the Wolverhampton factory and operate at only one site in future, at Small Heath in Birmingham.

They were warned that they might be risking the future of the whole company. But they still got a "good luck" message from its chairman, Mr. Dennis Poore, in their bid to get the Government to change its mind and give financial aid to NVT.

After three and a half hours of talks between shop stewards and management, Mr. Poore said that a sit-in at Wolverhampton was "extremely likely".

He went on: "What worries me is that we will end up with a hostile plan instead of a one-site plan."

"I have tried to impress on the stewards that they are running a very real risk, but they want to try to get the Government to change its mind—so jolly good luck to them."

Mr. Ray Durman, a shop steward at the Wolverhampton factory, said: "It is intended that Wolverhampton district union officials should seek a meeting with the liquidator when he is appointed."

Yesterday's talks at Kingwinford, Staffs., were between Mr. Poore, Mr. Hugh Palin, a director of the company, and stewards from both the Wolverhampton and Small Heath factories.

The meeting came after Mr. Palin had disclosed that the Wolverhampton factory was



Mr. Dennis Poore at his desk in London before he left for Wolverhampton.

"legally insolvent" to the extent of £2m. with debts to components suppliers. The Small Heath factory, he said, was solvent.

After the meeting, Mr. Durman added that the stewards had not been told about the Wolverhampton plant's debts. He added that the talks had done nothing to lift the threat to thousands of jobs.

"When the 1,600 workers return from the annual holiday

next Monday they will feel very bitter about the situation. If attempts are made to close the Wolverhampton plant, you can be sure the workers will take it over."

This was the second refusal that the delegation met with during the day. Earlier they had been turned down by Mr. Wilson.

Mrs. Renee Short, MP for North-East Wolverhampton and leader of the West Midlands MPs, said: "Mr. Varley refused to meet us. This is a matter of major constituency and regional concern with several thousand jobs threatened. I have never been refused a meeting with a Minister before."

Meanwhile Mr. Eric Varley, Industry Secretary, was at the centre of a Labour Party row last night after refusing to meet a delegation of West Midlands MPs to discuss the NVT situation. The MPs reported Mr. Varley's conduct to the Prime Minister who, it was claimed, promised to have a word with him.

She would support a sit-in at NVT's Wolverhampton factory so long as the workers did nothing against the law.

She would support a sit-in at NVT's Wolverhampton factory so long as the workers did nothing against the law.

Whether a full-scale sit-in will develop as at Meriden two years ago, was still not clear last night. The liquidator called in by NVT has not yet arrived, and the factory's 1,600 men are on holiday until next Monday.

The row over new products between NVT and the Meriden co-operative took a new turn yesterday. The dispute concerns the modified motor cycle the co-operative is now going to produce. NVT, which sells the Meriden machines, says it needs further improvement.

Yesterday Mr. Dennis Johnson, chairman of the co-operative, said that its own tests, at the Motor Industry Research Association, had shown the machine conforming to American standards. He had not yet received the letter from NVT outlining the problems, and without it could not comment at length.

U.S. interest

He added, however, that Meriden had been contacted by an American organisation which was interested in marketing the Triumph Bonneville in the U.S. should the deal with NVT fall through. Meriden's contract with NVT, for delivery of up to 24,000 machines a year, runs through to July 1977.

Mr. Johnson conceded that there might be difficulties over the use of the Triumph name—also used by NVT—if Meriden and NVT failed to reach agreement about the modifications to the new range of machines. But a solution could be found, he said, and the co-operative was, in the meantime, looking at designs for a new generation of motorcycles to take over eventually from the Bonneville.

Metal box rights issue fails

By Nicholas Leslie

METAL BOX Company became the latest victim yesterday of a failed rights issue when it was announced that only 99 per cent. of shares offered by the company to its shareholders to raise £23.8m. had been taken up. The balance of 41 per cent. have been taken up by the underwriters.

The outcome will clearly be seen as a sickening in the appetite for rights issues, of which there has been a spate this year, involving the raising of almost £900m.

On the Stock Exchange, news of the rights issue outcome left Metal Box's share price 2p down at 209p ex the rights.

Metal Box said when announcing the issue in June that it wanted the cash to continue its capital spending programme—£210p for every £1 of new shares already owned. But with news at the time also that the company's results in the first two months of this year were below expectations, the company's share price fell 20p to 239p on the day of the rights issue announcement and has continued to fall.

On Friday, the closing price of 209p was below the issue price, the "rights" attaching therefore being valueless.

The Metal Box failure follows the poor experience of BOC International three weeks ago when only 43 per cent. of that company's £23m. rights issue was taken up.

However, BOC's issue was never considered to be very attractive and the reasons for Metal Box being refused by so many of its shareholders are somewhat different. First, it suffered from a somewhat pessimistic profit statement by Mr. Alexander Price, its chairman, and it has also been the victim of a general decline in the Stock Market over the past few weeks.

Indian Parliament debates election law Bill to-day

BY OUR ASIA CORRESPONDENT

THE INDIAN Government yesterday introduced retroactive legislation designed to nullify two High Court convictions against Mrs. Indira Gandhi, the Prime Minister, for corrupt election practices. The conviction threatened to end Mrs. Gandhi's political career at least for the next six years.

The measures will be debated to-day, but are certain to be passed because Mrs. Gandhi's Ruling Congress Party commands more than the necessary two-thirds majority in the Lok Sabha, the Indian Lower House.

When the Bill was tabled yesterday there was a lone voice of protest—that of former Minister, Mr. Mohan Dhar, who claimed the legislation was an attempt "to circumvent" the court ruling. Mr. Dhar, at one time one of the bright hopes of the Ruling Congress, was expelled last month after criticising Mrs. Gandhi's determination to stay in power at all costs.

The rest of the opposition is boycotting Parliament, because of

the arrest of a number of their colleagues under the State of Emergency and the refusal of the Government to allow Press reporting of the special session of Parliament except for speeches by Government Ministers.

The Indian censor yesterday continued to keep a strict watch on newspaper stories and refused to pass anything but the barest outline of the fact that the Government had tabled legislation.

The Government is seeking to invalidate the High Court conviction by a series of amendments to the poll campaign rules of the 1951 Representation of the People Act.

Under one amendment the resignation of a Government employee can be accepted with retro-active effect and cannot be questioned in a court of law. According to another "any expenditure incurred by an official 'in the discharge of his official duties' cannot be regarded as an expense 'incurred in connection with the election'."

Editorial comment, Page 12

red in connection with the election."

In the Allahabad High Court on June 22, Mr. Justice J. M. L. Sinha found Mrs. Gandhi guilty of two corrupt election practices: her personal secretary, Mr. Yashpal Kapoor, had campaigned for her in the 1971 General Election while still a Government employee and Government officials in her Rai Bareilly constituency had made various arrangements for her election meetings.

Because of the convictions, Mrs. Gandhi's 110,000-vote victory was set aside and she was barred from elective office for the statutory six year period. Mrs. Gandhi won a conditional stay of execution from the judge's order until the Supreme Court considers her appeal next Monday, but if Parliament passes the constitutional amendments—which are to be effective retroactively—the Supreme Court hearing will be of academic interest, if it is allowed at all.

Editorial comment, Page 12

Weather

U.K. TO-DAY

VERY HOT. Some rain with thunder in many places. Coastal fog-patches.

London, S.E. England, E. Midlands and Central N. England.

Sunny periods, perhaps thundery showers later. Wind S.E., light or moderate. Max. 29 to 32C (84 to 90F).

E. Anglia, E. England. Sunny periods, perhaps thundery showers later. Wind S.E., moderate or fresh. Max. 27 to 29C (81 to 84F).

Inland near normal temperatures on coasts. Central, S.W. and N.W. England, W. Midlands, Wales.

Rather cloudy, thundery showers, mainly clear by evening. Wind light or moderate. Max. 25 to 27C (77 to 81F).

Sunny periods. Perhaps thundery showers early. Winds light. Max. 28C (82F).

Thunder showers becoming mostly clear later. Wind S.E., moderate. Max. 24 to 26C (75 to 79F).

N.E. England Borders Edinburgh and Dundee. Mostly sunny early perhaps isolated thundery showers later. Wind S.E., moderate or fresh. Max. 28C (79F), cooler on coasts.

Aberdeen, C. Highlands, Moray Firth, N.E. Scotland, Orkney, Shetland. Mostly sunny. Wind S.E., moderate. Max. 28C (82F), cooler near coasts.

Outlook: Sunny periods, with the threat of thundery outbreaks, particularly in W. Mostly hot except in parts of W.

Lighting-out: London 21.13, Manchester 21.30, Glasgow 21.48, Belfast 21.50.

BUSINESS CENTRES

V-day	Y-day	V-day	Y-day
Mid-day	Mid-day	Mid-day	Mid-day
Amsterdam	20.86	Luxembourg	31.86
Antwerp	20.86	Madrid	31.86
Basel	20.86	Milan	31.86
Bombay	20.86	Montreal	31.86
Buenos Aires	20.86	New York	31.86
Cairo	20.86	Osaka	31.86
Calcutta	20.86	Paris	31.86
Canton	20.86	Rome	31.86
Cebu	20.86	Singapore	31.86
Colon	20.86	Stockholm	31.86
Hankow	20.86	Tokyo	31.86
Hong Kong	20.86	Winnipeg	31.86
Kobe	20.86	Zurich	31.86
London	20.86		

S-Sunny, F-Fair, C-Cloudy, R-Rain

Concorde flight to Australia

BY KENNETH RANDALL

CONCORDE 294 flew from Singapore to the first of its day-long proving flights on the Australian route. Flying time to Melbourne was three hours 55 minutes, including two hours 30 minutes at twice the speed of sound.

The Concorde will fly back to Melbourne from Singapore tomorrow and on Thursday begin

a series of VIP and Press flights between the two cities.

Conservationist opponents of the supersonic aircraft have planned a series of demonstrations against the publicity flights, including the permanent occupancy of the runway at Melbourne's Tullamarine airport.

Mr. Whitlam, the Prime Minister, has withdrawn from the Concorde flight guest list, partly because it is reported to assuage con-

servationist feeling within the Labour Party. Several Labour Ministers will, however, go ahead with their free flights.

To-day's reception of Concorde was incident-free. A reporter for Australia's most widely-heard current affairs radio programme commented that the arrival was of a "much quieter, cleaner Concorde than the raucous, smoking prototype that came here three years ago."

Continued from Page 1

Reserves up \$61m.

Companies protected the pound from the dollar's general rise until the end of the month. A significant proportion of these payments has in the past been kept in London after receipt by the OPEC countries, and has proved a major element in the financing of the U.K. balance of payments deficit.

But, as in the past, a lot of the July inflow will be reinvested in other currencies. Rather than show a much larger increase in the reserves during July, to be followed automatically by withdrawals in August, the U.K. authorities have almost certainly decided to smooth out the effect on the figures this time.

In other words, they have chosen not to reveal the full extent of the July inflow.

This sudden inflow of funds into London may seem ironic in view of the sterling crisis at the end of June. It has more than made up for the loss of reserves in the closing days of June (which count in the July figures). But, as reported at the time, the loss was not very significant.

The main worries of the U.K. authorities then were:

1—That no conceivable amount of intervention could arrest the potentially serious decline in the sterling exchange rate before the incomes policy measures were announced; and

2—A genuine threat by a key holder of sterling—believed to be Kuwait—of withdrawals of funds from London if no measures were taken.

There had been significant withdrawals of OPEC funds earlier—during the first fortnight of April—but on a net basis the oil producers have stayed in sterling this year, although the rate at which their funds accrue has slowed down, not least because they have been spending them so fast.

The recent increase in the Bank of England's minimum lending rate was also made against the background of oil producers' concern about sterling.

This does not seem to have had an overpowering effect in the face of the strength of the dollar, which itself reflects renewed faith in the U.S. economy, with regard to the attack on U.S. inflation, the improved trade balance, and many indicators suggesting the

U.K. wins Indonesia TV, radio order

BY CHRISTOPHER LORENZ

BRITISH INDUSTRY is set to win at least £13m-worth of export orders from Indonesia for the supply of television and other broadcasting equipment.

It was revealed yesterday that Pye TVT, a subsidiary of Pyc Holdings, has been awarded an order worth about £2m. for the construction of colour television-stations in ten provincial towns and the modernisation of five monochrome studios. This is the largest single order Pye TVT has ever received, according to the company.

Pye's contract, worth almost £15m. in dollar terms, was announced in conjunction with a \$33m-plus order to Siemens to build colour TV studios in Jakarta and supply telecine equipment and other audiovisual aids.

Much of the TV transmission from the new studios will be by Indonesia's ambitious new satellite system. As reported in February, the country is to spend over £330m. on modernising and extending its telecommunications network, about £75m. of it on satellite equipment from companies such as Hughes Aircraft and ITT.

One of the major telecommunications orders, worth £54.2m., was awarded to British BICC, with Siemens, Philips and IRT, Belgian telecommunications subsidiary also winning major orders.

Talks at Chequers on cuts

By Philip Rawstorne

GOVERNMENT proposals for curbing public expenditure were discussed at a four-hour meeting of Cabinet Ministers at Chequers yesterday.

The meeting, one of a series called by the Minister to review the Government's forward programme, is understood to have been concerned mainly with prospects for the Government's general economic strategy and its pay policy.

Mr. Joel Barnett, Chief Secretary to the Treasury, who is responsible for public expenditure matters, was the only Minister outside the Cabinet who attended.

Mr. Harold Wilson arranged the Chequers gathering 10 days ago, but it had to be deferred because of an overnight sitting of the Commons.

It appears that yesterday was the first opportunity for senior Ministers to consider collectively the medium-term review of public spending plans recently conducted by the Treasury.

As the Chancellor, Mr. Denis Healey, who was also present yesterday, indicated in the Commons economic debate, Treasury proposals contemplate cuts of around £50m. up to the end of 1978-79 in addition to the £200m. reduction already proposed for next year.

Ministers are believed to have taken no firm decisions on the plan at yesterday's meeting, which was attended by all the members of the Cabinet except Mr. Eric Varley, Industry Secretary.

THE LEX COLUMN

Tuning in to TV rental

The underwriters were left to pick up £9m. of the Metal Box rights issue yesterday. This is their biggest casualty since British Oxygen flopped a month ago, since when BOC has moved down broadly in line with the market. Of the rights cash due for subscription this week and next some £25m. is looking just a little bit vulnerable, while the rights attached to Scottish and Newcastle's £21m. floating, which closes later this month, are currently worth just 3p.

Index fell 0.7 to 282.1

made only £3.8m. pre-interest on sales of £185m. last year, but where the rental businesses are now getting into their stride.

The uncertainties about Thora's prospects overseas and

Thora

The TV rental sector has been particularly strong against the market over the past two months following its earlier long-standing relative weakness, and to-day's report from Thora, which has been no exception to the trend, illustrates why. The key, paradoxically, is the slowdown in new set placements—expected to be down by over a quarter this year—which, effectively brings forward profits via a lower depreciation charge. In addition, sector sentiment has been helped recently by the Commons decision that VAT on rental agreements in existence on Budget day should be at 8, not 25 per cent. This will tend to lock in subscribers and thus extend the life of contracts at their most profitable time.

The slowdown also means that the sector is in a phase of substantial cash, rather than debt, generation: Thora's spending on sets on or for rental dropped from £77m. to £55m. in 1974-75—which is equivalent to a fall from 65 to 52 per cent. of gross cash flow. The further decline in placements this year coupled with the impact of the pre-VAT boom on durable sales generally, has apparently helped to trim the overdraft by about £15m. from the March total of £66m. Total debt then was £99m., compared with shareholders' funds of £198m.

Last year, a rising TV rental contribution provided a useful cushion to profits when an \$800,000 drop in consumer electronics profits masked a £7m. downturn in colour TV tubes. In the current year, rental profits should rise further, while there is scope for eliminating £4.8m. of losses on two closed factories. But Thora is still only talking about holding profits around last year's level of £65.4m. though outside estimates are slightly higher. A lot will depend on the strength of demand this autumn for the durables and on the extent of any recovery overseas—which

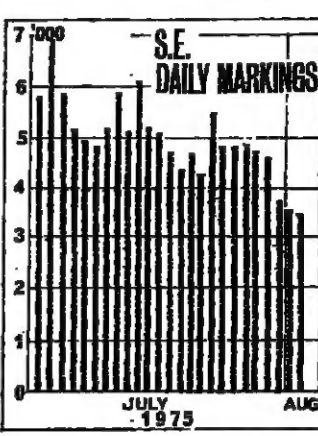
for the non-rental side in the U.K. may, however, mean that the more stock market attention will switch to the smaller, purely rental specialists. See also Page 15

Deutsche Bank

Germany has been the world's outstanding stock market in recent weeks, and Deutsche Bank has been one of its strongest shares. So interim figures which looked distinctly sluggish by the standards of the other two major banks helped to knock the shares DM8.8 lower to DM320.1 yesterday. However, there are two points to make about the disclosed rise in operating profits: from DM258.5m. just to DM266.7m.

The first is that the latest figures are simply being compared with half the 1974 total. Since profits were on a rapidly accelerating trend last year, this form of presentation is unflattering. In addition, Deutsche has disclosed only the parent figures: the chunk which it has missed out, representing about a third of total assets, takes in the mortgage banking operations and some of the overseas businesses, which are probably the faster growing sector this year.

Interest margins may slip a shade further over the rest of the year but business volume, which is just 2 per cent. higher to date, may be expected to pick up in the final quarter. See also Page 14



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VAUX BREWERIES

Points from the statement by Mr. Douglas Nicholson, Chairman of Vaux Breweries Limited, for the year ended 30th April, 1975:

- Our turnover increased by 23% to £44.4 million and our pre-tax profits rose from £3,808 million to £3,893 million. Earnings per share are up from 25p to 26.8p and the total dividend of 12.8528p per share is the maximum permitted.
- Such is the pace of inflation that we have been forced to increase our prices three times this year by a total of 2p, and the Government, despite allegedly trying to control inflation, has added 3p per pint in duty.
- Beer sales are up around 3% with most of the increase achieved in clubs and the free trade, and Norseman lager has continued to show excellent results. Sales of wines and spirits also increased in volume and we expanded our Bleyney off-licence chain into Scotland.
- Our Swallow Hotels division has done better and the level of business demonstrates that these hotels will prove good investments in the long term.
- We have been forced to cut back some of our long term development plans, particularly in hotels and pubs. We are, however, concentrating on developing and modernising our plant and services to cope with the growing take home trade brought about by the significant gap in the cost of "on" and "off-sales".
- We are also currently preparing plans to double the capacity of Wards Brewery in Sheffield to cope with the increasing trade levels they have achieved since joining the Group in 1973.
- During the year we acquired 76% of a small Belgian brewery at Dudenarde to develop the sales of Vaux beers in this substantial market.
- We are facing very difficult problems and the national situation makes it hard to be optimistic. However, our sales to date are ahead of last year despite the effects of the Budget, and there are signs, as the recession deepens, that the North East and Scotland are not as badly off, relative to the rest of the country, as previously.

Comparative Figures	1971	1972	1973	1974	1975
	£'000	£'000	£'000	£'000	£'000
Profit before Tax	2,159	2,620	3,618	3,808	3,893
Tax	1,156	1,457	1,539	2,015	1,967
Net Dividends	442	551	766	798	878
Profit retained	445	495	1,180	867	928

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